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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Application No.	: 09/677,401	Confirmation No.	: 3108
First Applicant	: K. Jon Kern	Art Unit	: 3629
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Title	: Loyalty reward program for reducing the balance of a loan obligation		
Docket No.	: 014-040001US		
Customer No.	: 33486		

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APPLICANTS' BRIEF (37 CFR § 41.37)

This is an appeal from the final rejection of the Examiner dated 04 May 2006. This brief is accompanied by the requisite fee set forth in 37 CFR § 41.20(b)(2). The Applicants have also enclosed a petition for a fifth-month extension of time for filing this appeal brief.

(1) Real Party in Interest [37 CFR § 41.37(c)(1)(i)]

The real party in interest in this application is **Nelnet, Inc.**, by virtue of an assignment executed 06 November 2001 from the inventors to UNIPAC Service Corporation, recorded on 15 November 2001 at Reel/Frame 012315/0114; a change of name to Nelnet Loan Services, Inc., dated 16 November 2001 and recorded on 15 February 2002 at Reel/Frame 012625/0278; and a change of name to Nelnet, Inc., dated 04 August 2003 and recorded on 14 January 2004 at Reel/Frame 014260/0147.

(2) Related Appeals and Interferences [37 CFR § 41.37(c)(1)(ii)]

There are no related appeals or interferences.

(3) Status of Claims [37 CFR § 41.37(c)(1)(iii)]

The claims remaining in the case are claims 8-28, 30, and 32-91. As set out in the 04 May 2006 final Office action, each of these claims stands finally rejected. Thus, the claims on appeal are claims 8-28, 30, and 32-91, copies of which are included in the Claims Appendix, which is attached after the signature page of this brief.

(4) Status of Amendments [37 CFR § 41.37(c)(1)(iv)]

The Applicants have not filed any amendments subsequent to final rejection.

(5) Summary of Claimed Subject Matter [37 CFR § 41.37(c)(1)(v)]

There are five independent claims pending, namely claims 8, 47, 54, 65, and 71. A concise explanation of the subject matter defined in each of these five claims, making reference to the specification and drawings as published on 31 October 2002 in United States Patent and Trademark Office (USPTO) publication no. US 2002/0161630 A1, is provided in the remainder of this Section 5.

Independent claim 8

Broadly speaking, independent claim 8 is directed toward a method for a first party to facilitate the repayment of a second party's loan using loyalty points accumulated from a third party. The overall method is represented schematically in, for example, Fig. 16. In claim 8, the method comprises the following steps:

(A) a first party (e.g., a primary loan services) establishing a site on a global computer network (see, e.g., ¶ [0063], ll. 4-9; ¶ [0064]; and Figs. 1-3);

(B) recognizing at least certain second-party users of said site by requiring said certain second-party users to provide initial registration information to become recognized second-party users (see, e.g., ¶ [0065], ll. 26-28; ¶ [0071], ll. 1-7 and 14-20; and Figs. 2 (element 46), 16, and 27), and requiring a first one of said recognized second-party users to provide additional registration information (see, e.g., ¶ [0086], ll. 12-18; ¶ [0090], ll. 14-21; and Figs. 41A and 41B);

(C) directing said recognized second-party users to predetermined third-party merchants (see, e.g., ¶ [0072], ll. 9-11; ¶ [0073], ll. 15-20; ¶ [0074], ll. 1-5; ¶ [0075], ll. 1-4 and 9-12; ¶ [0076], ll. 1-4; ¶ [0077], ll. 5-8; ¶ [0107], ll. 1-4; and Figs. 28-36);

(D) enabling accumulation of loyalty points by said recognized second-party users based upon purchases from said predetermined third-party merchants (see, e.g., ¶ [0072], ll. 3-last; ¶ [0076], ll. 6-7; ¶ [0079]; ¶ [0080]; and Figs. 16 (blocks 1620 & 1622) and 17);

(E) monitoring said purchases by said recognized second-party users from said predetermined third-party merchants (see, e.g., ¶ [0078], ll. 3-5; and Fig. 17);

(F) tracking said accumulated loyalty points (see, e.g., ¶ [0076], ll. 10-last; ¶ [0077], ll. 8-11; ¶ [0078], ll. 6-11; ¶ [0097], ll. 1-4; ¶ [0101]; ¶ [0102], ll. 1-4; and Figs. 17 and 21-25); and

(G) said first party permitting said first one of said recognized second-party users to selectively repay the loan obligation based upon discretionary redemption of said accumulated loyalty points (see, e.g., ¶ [0079], ll. 32-34; ¶ [0084]; ¶ [0088], ll. 1-6; ¶ [0089], ll. 1-5; ¶ [0090], ll. 1-7; ¶ [0094], ll. 1-6 and 14-20; ¶ [0104], ll. 8-22; and Figs. 18, 19, and 43-46).

In this claim, a first party establishes, for example, a website; and a second-party user of that website is empowered to repay at least a portion of a loan by making purchases from a third party. Claim 8 requires at least two second-party users (see claim 8, limitation (B) above: "second-party users"). The claimed method thus involves a minimum of four parties, including a first party having a site on a global computer network; at least two second-party users, at least one of whom has a loan and at least one of whom visits the first party's site; and a third party who permits the purchase of services or goods (e.g., consumer good like cameras or clothing) by individuals including the second-party users. When a second-party user makes purchases of the third party's services or goods, a portion of the purchase price paid by that second-party user to the third party becomes available for the second-party user to repay a loan being serviced by the first party or a secondary loan servicer.

This claim expressly requires that it is the "first one of said second-party users" who is repaying the loan obligation. Claim 8 does not, however, expressly specify whose loan is being repaid, or whose loyalty points are being redeemed to repay the loan (i.e., the loyalty points could have been originally accumulated by the claimed first one of the second-party users, or the loyalty points could have been originally accumulated by a different second-party user and subsequently transferred to the first second-party user before that first second-party user redeems those loyalty points).

In claim 8, the claimed "first one of said second-party users" provides additional registration information, becoming a "recognized second-party user" of the first party's site. After providing the claimed "additional registration information," the "first one of said recognized second-party user" eventually becomes authorized to make a loan payment by redeeming accumulated loyalty points.

The "third party" is set forth in claim 8 as a "predetermined third-party merchant." This third-party merchant is "predetermined" in the sense that there is a prior relationship between the first party and the third party. Via this prior relationship, the third party has agreed to permit a portion of the purchase price paid by the second-party users to the third party to be used by the second-party users to repay at least a portion of a loan that one of the second-party users has. This prior relationship need not be directly between the first party and the third party, and there may be one or more intervening parties between the first party and the third party. Thus, throughout all of the claims, "predetermined" should not be construed to require a prior relationship directly between the first party and the third party.

Independent claim 47

Similar to independent claim 8, independent claim 47 is also broadly directed toward a method for a first party to facilitate the repayment of a second party's loan using loyalty points accumulated from a third party. Again, the overall method is represented schematically in, for example, Fig. 16. In claim 47, the method comprises the following steps:

(A) a first party establishing a site on a global computer network (see, e.g., ¶ [0063], ll. 4-9; ¶ [0064]; and Figs. 1-3);

(B) recognizing at least certain second-party users of said site by requiring said certain second-party users to provide initial registration information, wherein said recognized second-party users include a first recognized second-party user and a second recognized second-party user (see, e.g., ¶ [0065], ll. 26-28; ¶ [0071], ll. 1-7 and 14-20; and Figs. 2 (element 46), 16, and 27);

(C) requiring said first recognized second-party user to provide additional registration information (see, e.g., ¶ [0086], ll. 12-18; ¶ [0090], ll. 14-21; and Figs. 41A and 41B);

(D) directing said recognized second-party users to predetermined third-party merchants (see, e.g., ¶ [0072], ll. 9-11; ¶ [0073], ll. 15-20; ¶ [0074], ll. 1-5; ¶ [0075], ll. 1-4 and 9-12; ¶ [0076], ll. 1-4; ¶ [0077], ll. 5-8; ¶ [0107], ll. 1-4; and Figs. 28-36);

(E) enabling accumulation of loyalty points by said recognized second-party users based upon purchases from said predetermined third-party merchants (see, e.g., ¶ [0072], ll. 3-last; ¶ [0076], ll. 6-7; ¶ [0079]; ¶ [0080]; and Figs. 16 (blocks 1620 & 1622) and 17);

(F) monitoring said purchases by said recognized second-party users from said predetermined third-party merchants (see, e.g., ¶ [0078], ll. 3-5; and Fig. 17);

(G) tracking said accumulated loyalty points (see, e.g., ¶ [0076], ll. 10-last; ¶ [0077], ll. 8-11; ¶ [0078], ll. 6-11; ¶ [0097], ll. 1-4; ¶ [0101]; ¶ [0102], ll. 1-4; and Figs. 17 and 21-25); and

(H) said first party permitting selective application of said accumulated loyalty points to at least one loan of said first recognized second-party user (see, e.g., ¶ [0079], ll. 32-34; ¶ [0084]; ¶ [0088], ll. 1-6; ¶ [0089], ll. 1-5; ¶ [0090], ll. 1-7; ¶ [0094], ll. 1-6 and 14-20; ¶ [0104], ll. 8-22; and Figs. 18, 19, and 43-46).

In this claim, a first party establishes, for example, a website; and a second-party user of that website is empowered to repay at least a portion of a loan by making purchases from a third party. Claim 47 requires at least two second-party users (see claim 47, limitation (B) above: "second-party users" including "a first recognized second-party user and a second recognized second-party user"). The claimed method thus involves a minimum of four parties, including a first party having a site on a global computer network; at least two second parties, at least one of whom has a loan and at least one of whom visits the first party's site; and a third party who permits the purchase of services or goods by individuals including the second parties. When a second-party user makes purchases of the third party's services or goods, a portion of the purchase price paid by the second-party user to the third party becomes available for a second-party user to repay a loan being serviced by the first party or a secondary loan servicer.

Unlike claim 8 above, independent claim 47 expressly requires that the loan being repaid is a loan "of said first recognized second-party user." Claim 47 does not, however, expressly specify which second-party user is redeeming accumulated loyalty points to repay at least a portion of the first recognized second-party user's loan; and, similar to claim 8, claim 47 also does not expressly specify whose loyalty points are being redeemed to repay the loan (i.e., the loyalty points could have been originally accumulated by the claimed first

one of the second-party users, or the loyalty points could have been originally accumulated by a different second-party user and subsequently transferred to the first second-party user before that first second-party user redeems the loyalty points).

In claim 47, the claimed "first recognized second-party user" provides additional registration information. After providing the claimed "additional registration information," the "first recognized second-party user" eventually becomes authorized to make a loan payment by redeeming accumulated loyalty points.

The "third party" is set forth in claim 47 as a "predetermined third-party merchant." This third-party merchant is "predetermined" in the sense that there is a prior relationship between the first party and the third party. Via this prior relationship, the third party has agreed to permit a portion of the purchase price paid by the second-party users to the third party to be used by the second-party users to repay at least a portion of a loan that one of the second-party users currently has, or will have in the future.

Independent claim 54

Independent claim 54 is also broadly directed toward a method for a first party to facilitate the repayment of a second party's loan using loyalty points accumulated from a third party. As stated above, the overall method is represented schematically in, for example, Fig. 16. In claim 54, the method comprises the following steps:

(A) a first party establishing a site on a global computer network (see, e.g., ¶ [0063], ll. 4-9; ¶ [0064]; and Figs. 1-3);

(B) recognizing at least certain second-party users of said site by requiring said certain second-party users to provide initial registration information, wherein said recognized second-party users include a first recognized second-party user and a second recognized second-party user (see, e.g., ¶ [0065], ll. 26-28; ¶ [0071], ll. 1-7 and 14-20; and Figs. 2 (element 46), 16, and 27);

(C) requiring said first recognized second-party user to provide additional registration information (see, e.g., ¶ [0086], ll. 12-18; ¶ [0090], ll. 14-21; and Figs. 41A and 41B);

(D) directing said recognized second-party users to third-party merchants (see, e.g., ¶ [0072], ll. 9-11; ¶ [0073], ll. 15-20; ¶ [0074], ll. 1-5;

¶ [0075], ll. 1-4 and 9-12; ¶ [0076], ll. 1-4; ¶ [0077], ll. 5-8; ¶ [0107], ll. 1-4; and Figs. 28-36);

(E) enabling accumulation of loyalty points by said recognized second-party users based upon purchases from said third-party merchants (see, e.g., ¶ [0072], ll. 3-last; ¶ [0076], ll. 6-7; ¶ [0079]; ¶ [0080]; and Figs. 16 (blocks 1620 & 1622) and 17);

(F) monitoring said purchases by said recognized second-party users from said third-party merchants (see, e.g., ¶ [0078], ll. 3-5; and Fig. 17);

(G) tracking said accumulated loyalty points (see, e.g., ¶ [0076], ll. 10-last; ¶ [0077], ll. 8-11; ¶ [0078], ll. 6-11; ¶ [0097], ll. 1-4; ¶ [0101]; ¶ [0102], ll. 1-4; and Figs. 17 and 21-25);

(H) displaying information about said accumulated loyalty points to said first recognized second-party user (see, e.g., ¶ [0082], ll. 14-last; ¶ [0083], ll. 5-last; ¶ [0085], ll. 1-11; and Figs. 16 (block 1626), 38, 39, 42, and 43); and

(I) said first party permitting said first recognized second-party user to selectively redeem said accumulated loyalty points by applying said selectively redeemed loyalty points to an outstanding balance of a loan obligation of said first recognized second-party user, said first party thereby permitting repayment of said loan obligation using said redeemed loyalty points (see, e.g., ¶ [0079], ll. 32-34; ¶ [0084]; ¶ [0088], ll. 1-6; ¶ [0089], ll. 1-5; ¶ [0090], ll. 1-7; ¶ [0094], ll. 1-6 and 14-20; ¶ [0104], ll. 8-22; and Figs. 18, 19, and 43-46).

In this claim, a first party establishes, for example, a website; and a second-party user of that website is empowered to repay at least a portion of a loan by making purchases from a third party. Claim 54 requires at least two second-party users (see claim 54, limitation (B) above: "second-party users" including "a first recognized second-party user and a second recognized second-party user"). The claimed method thus again involves a minimum of four parties, including a first party having a site on a global computer network; at least two second parties, at least one of whom has a loan and at least one of whom visits the first party's site; and a third party who permits the purchase of services or goods by individuals including the second parties. When a second-party user makes purchases of the third party's services or goods, a portion of the purchase price paid by the second-party

user to the third party becomes available for a second-party user to repay a loan being serviced by the first party or a secondary loan servicer.

Similar to independent claim 47 discussed above, independent claim 54 expressly requires that the loan being repaid is a loan "of said first recognized second-party user." Unlike independent claim 47 and similar to independent claim 8, independent claim 54 also expressly specifies that it is the "first recognized second-party user" who is redeeming accumulated loyalty points to repay at least a portion of the first recognized second-party user's loan. Similar to independent claims 8 and 47, claim 54 also does not expressly specify whose loyalty points are being redeemed to repay the loan (i.e., the loyalty points could have been originally accumulated by the claimed first one of the second-party users, or the loyalty points could have been originally accumulated by a different second-party user and subsequently transferred to the first second-party user before that first second-party user redeems the loyalty points).

In claim 54, the claimed "first recognized second-party user" provides additional registration information. After providing the claimed "additional registration information," the "first recognized second-party user" eventually becomes authorized to make a loan payment by redeeming accumulated loyalty points.

Unlike independent claims 8 and 47 discussed above, independent claim 54 does not require that the "third-party merchant" be a "predetermined" third-party merchant.

Independent claim 65

Similar to all of the currently-pending independent claims, independent claim 65 is also broadly directed toward a method for a first party to facilitate the repayment of a second party's loan using loyalty points accumulated from a third party. As stated above, the overall method is represented schematically in, for example, Fig. 16. In claim 65, the method comprises the following steps:

(A) a first party establishing a site on a global computer network (see, e.g., ¶ [0063], ll. 4-9; ¶ [0064]; and Figs. 1-3);

(B) recognizing at least certain second-party users of said site by requiring said certain second-party users to provide initial registration information, wherein said recognized second-party users include a first recognized second-party user and a second recognized second-party user

(see, e.g., ¶ [0065], ll. 26-28; ¶ [0071], ll. 1-7 and 14-20; and Figs. 2 (element 46), 16, and 27);

(C) requiring said first recognized second-party user to provide additional registration information (see, e.g., ¶ [0086], ll. 12-18; ¶ [0090], ll. 14-21; and Figs. 41A and 41B);

(D) directing said recognized second-party users to predetermined third-party merchants (see, e.g., ¶ [0072], ll. 9-11; ¶ [0073], ll. 15-20; ¶ [0074], ll. 1-5; ¶ [0075], ll. 1-4 and 9-12; ¶ [0076], ll. 1-4; ¶ [0077], ll. 5-8; ¶ [0107], ll. 1-4; and Figs. 28-36);

(E) enabling accumulation of loyalty points by said recognized second-party users based upon purchases from said predetermined third-party merchants (see, e.g., ¶ [0072], ll. 3-last; ¶ [0076], ll. 6-7; ¶ [0079]; ¶ [0080]; and Figs. 16 (blocks 1620 & 1622) and 17);

(F) monitoring said purchases by said recognized second-party users from said predetermined third-party merchants (see, e.g., ¶ [0078], ll. 3-5; and Fig. 17);

(G) tracking said accumulated loyalty points (see, e.g., ¶ [0076], ll. 10-last; ¶ [0077], ll. 8-11; ¶ [0078], ll. 6-11; ¶ [0097], ll. 1-4; ¶ [0101]; ¶ [0102], ll. 1-4; and Figs. 17 and 21-25);

(H) categorizing a first number of said accumulated loyalty points of said first recognized second-party user with a first status of "pending," and categorizing a second number of said accumulated loyalty points of said first recognized second-party user with a second status of "earned" (see, e.g., ¶ [0082]; ¶ [0085], ll. 11 and 12; and Figs. 38-40, 42, 43, and 47-51);

(I) said first party permitting said first recognized second-party user to selectively redeem said accumulated loyalty points having said second status in a first redemption amount no greater than said second number of said accumulated loyalty points, wherein said first recognized second-party user selectively redeems said accumulated loyalty points in one of the following two ways (see, e.g., ¶ [0082]; ¶ [0095]; ¶ [0110], ll. 1-4; and Figs. 19, 20, 26, 43, and 48-50):

(1) by authorizing said first party to apply said selectively redeemed loyalty points to an outstanding balance of a loan obligation of

said first recognized second-party user to permit repayment of said loan obligation using said applied loyalty points (see, e.g., ¶ [0079], ll. 32-34; ¶ [0084]; ¶ [0088], ll. 1-6; ¶ [0089], ll. 1-5; ¶ [0090], ll. 1-7; ¶ [0094], ll. 1-6 and 14-20; ¶ [0104], ll. 8-22; and Figs. 18, 19, and 43-46); and

(2) by authorizing said first party to transfer said selectively redeemed loyalty points to said second recognized second-party user (see, e.g., ¶ [0079], ll. 32-35; ¶ [0084]; ¶ [0085], ll. 12-24; ¶ [0106]; ¶ [0108]; and Figs. 20, 26, 49, and 50);

and

(3) displaying loyalty points information to said first recognized second-party user, wherein said displayed information includes said first number, said second number, and said first redemption amount (see, e.g., ¶ [0082], ll. 14-last; ¶ [0083], ll. 5-last; and Fig. 16 (blocks 1626 and 1630) and Fig. 40).

In this claim, a first party establishes, for example, a website; and a second-party user of that website is empowered to repay at least a portion of a loan by making purchases from a third party. Claim 65 requires at least two second-party users (see claim 65, limitation (B) above: "second-party users" including "a first recognized second-party user and a second recognized second-party user"). The claimed method thus again involves a minimum of four parties, including a first party having a site on a global computer network; at least two second parties, at least one of whom has a loan and at least one of whom visits the first party's site; and a third party who permits the purchase of services or goods by individuals including the second parties. When a second-party user makes purchases of the third party's services or goods, a portion of the purchase price paid by the second-party user to the third party becomes available for a second-party user to, for example, repay a loan or transfer to another second-party user.

Similar to independent claims 8 and 54, independent claim 65 also expressly specifies that it is the "first recognized second-party user" who is redeeming accumulated loyalty points. Unlike any of the other currently-pending independent claims, however, in independent claim 65, the loyalty points are being redeemed in one of two specified ways: (1) by applying the loyalty points to reduce the outstanding balance of a loan of the "first recognized second-party user"; or (2) by transferring the loyalty points to

the "second recognized second-party user." Also, unlike any of the other currently-pending independent claims, independent claim 65 expressly specifies that it is the first recognized second-party user's loyalty points that are being redeemed for one of the two specified purposes.

In claim 65, the claimed "first recognized second-party user" provides additional registration information. After providing the claimed "additional registration information," the "first recognized second-party user" eventually becomes authorized to make a loan payment or to transfer loyalty points to other second-party users by redeeming accumulated loyalty points.

The "third party" is set forth in claim 65 as a "predetermined third-party merchant." This third-party merchant is "predetermined" in the sense that there is a prior relationship between the first party and the third party. Via this prior relationship, the third party has agreed to permit a portion of the purchase price paid by the second-party users to the third party to be used by the second-party users either to repay at least a portion of a loan or to transfer to another one of the second-party users.

Independent claim 71

Independent claim 71 is arguably the broadest currently-pending independent claim and is also directed toward a method for a first party to facilitate the repayment of a second party's loan using loyalty points accumulated from a third party. As stated above, the overall method is represented schematically in, for example, Fig. 16. In claim 71, the method comprises the following steps:

(A) a first party establishing a site on a global computer network (see, e.g., ¶ [0063], ll. 4-9; ¶ [0064]; and Figs. 1-3);

(B) recognizing at least certain second-party users of said site (see, e.g., ¶ [0065], ll. 26-28; ¶ [0071], ll. 1-7 and 14-20; and Figs. 2 (element 46), 16, and 27);

(C) directing said recognized second-party users to predetermined third-party merchants (see, e.g., ¶ [0072], ll. 9-11; ¶ [0073], ll. 15-20; ¶ [0074], ll. 1-5; ¶ [0075], ll. 1-4 and 9-12; ¶ [0076], ll. 1-4; ¶ [0077], ll. 5-8; ¶ [0107], ll. 1-4; and Figs. 28-36);

(D) enabling accumulation of loyalty points based upon purchases from said predetermined third-party merchants (see, e.g., ¶ [0072], ll. 3-last;

¶ [0076], ll. 6-7; ¶ [0079]; ¶ [0080]; and Figs. 16 (blocks 1620 & 1622) and 17);

(E) monitoring said purchases by said recognized second-party users from said predetermined third-party merchants (see, e.g., ¶ [0078], ll. 3-5; and Fig. 17);

(F) tracking said accumulated loyalty points (see, e.g., ¶ [0076], ll. 10-last; ¶ [0077], ll. 8-11; ¶ [0078], ll. 6-11; ¶ [0097], ll. 1-4; ¶ [0101]; ¶ [0102], ll. 1-4; and Figs. 17 and 21-25); and

(G) said first party permitting selective repayment of the loan obligation based upon discretionary redemption of said accumulated loyalty points (see, e.g., ¶ [0079], ll. 32-34; ¶ [0084]; ¶ [0088], ll. 1-6; ¶ [0089], ll. 1-5; ¶ [0090], ll. 1-7; ¶ [0094], ll. 1-6 and 14-20; ¶ [0104], ll. 8-22; and Figs. 18, 19, and 43-46).

In this claim, a first party establishes, for example, a website; and a second-party user of that website is empowered to repay at least a portion of a loan by making purchases from a third party. Claim 71 requires at least two second-party users (see, e.g., claim 71, limitations (B) and (C) above: "second-party users"). The claimed method thus involves a minimum of four parties, including a first party having a site on a global computer network; at least two second parties, at least one of whom has a loan and at least one of whom visits the first party's site; and a third party who permits the purchase of services or goods by individuals including the second parties. When a second-party user makes purchases of the third party's services or goods, a portion of the purchase price paid by the second-party user to the third party becomes available for a second-party user to repay a loan being serviced by the first party or a secondary loan servicer.

Independent claim 71 does not expressly specify who is paying the loan, whose loan is being paid, or whose accumulated loyalty points are being applied to the loan.

The "third party" is set forth in claim 71 as a "predetermined third-party merchant." This third-party merchant is "predetermined" in the sense that there is a prior relationship between the first party and the third party. Via this prior relationship, the third party has agreed to permit a portion of the purchase price paid by the second-party users to the third party to be used by the second-party users to repay at least a portion of a loan that one of the second-party users currently has, or will have in the future.

(6) Grounds of Rejection to be Reviewed on Appeal [37 CFR § 41.37(c)(1)(vi)]

Each of the pending claims currently stands rejected under 35 USC § 103(a) based upon at least two separate combinations of from two to five references. Each of claims 30 and 32-35 currently stands rejected based upon four separate combinations of from two to four references. However, for the reasons discussed in Section 7, the Applicants believe that the Examiner rejected claims 30 and 32-35 on only two grounds despite the listing of these five claims in four separate rejections.

The following eight grounds of rejection are to be reviewed on appeal:

a) Claims 8-28, 30, 32-54, and 71-89 under 35 USC § 103(a) as being unpatentable over US patent no. 6,345,261 B1 to Feidelson et al. ("Feidelson") in view of US patent no. 6,009,415 to Shurling et al. ("Shurling");

b) Claims 30, 32-35, and 90 under 35 USC § 103(a) as being unpatentable over Feidelson in view of Shurling as applied to claims 8-28 above, and further in view of an article entitled, "All Nippon Offering Special Awards to Frequent Flyers," 15 April 1993 ("Article 4/1993");

c) Claims 55-62 under 35 USC § 103(a) as being unpatentable over Feidelson in view of Shurling as applied to claim 54 above, and further in view of US patent no. 6,119,933 to Wong et al. ("Wong");

d) Claims 63-70 and 91 under 35 USC § 103(a) as being unpatentable over Feidelson in view of Shurling and Wong as applied to claims 55-62 above, and further in view of Article 4/1993;

e) Claims 8-28, 30, 32-54, and 71-89 under 35 USC § 103(a) as being unpatentable over Feidelson in view of an article entitled, "The GM Card Revs Its Engine in the United Kingdom," 1 November 1993 ("GM Card Article") and an article entitled, "Lux in Flux," May 1990 ("Lux in Flux Article");

f) Claims 30, 32-35, and 90 under 35 USC § 103(a) as being unpatentable over Feidelson in view of the GM Card Article and the Lux in Flux Article as applied to claims 8-28 above, and further in view of Article 4/1993;

g) Claims 55-62 under 35 USC § 103(a) as being unpatentable over Feidelson in view of the GM Card Article and the Lux in Flux Article as applied to claim 54 above, and further in view of Wong;

h) Claims 63-70 and 91 under 35 USC § 103(a) as being unpatentable over Feidelson in view of the GM Card Article, the Lux in Flux Article, and Wong as applied to claims 55-62 above, and further in view of Article 4/1993.

A "Claims Rejections Chart" is attached as the last page of the Claims Appendix. This chart lists the claim number for each pending claim in the first column and summarizes the above eight grounds of rejection in columns 2-9.

(7) Argument [37 CFR § 41.37(c)(1)(vii)]

In this section, the Applicants present arguments referring to the rejections by the subsections listed in the prior section. There are eight grounds of rejection, but four of those grounds closely parallel the remaining four grounds. In particular, rejection 6(a) is similar to rejection 6(e), rejection 6(b) is similar to rejection 6(f), rejection 6(c) is similar to rejection 6(g), and rejection 6(d) is similar to rejection 6(h). For example, rejection 6(a) is the same as rejection 6(e) except for the Examiner swapping out the Shurling reference for the combination of the GM Card Article and the Lux in Flux Article. This is also the only difference between rejection 6(b) and 6(f), between rejection 6(c) and 6(g), and between rejection 6(d) and 6(h). Thus, in the pages that follow, the Applicants will argue the rejections in the following order: 6(a), 6(e), 6(b), 6(f), 6(c), 6(g), 6(d), and 6(h).

Rejection 6(a): § 103(a) - Feidelson in view of Shurling

Claims 8-28, 30, 32-54, and 71-89 stand rejected under § 103(a) as being unpatentable over Feidelson in view of Shurling. This group of rejected claims breaks out as follows based upon claim dependencies:

- Claim 8 is an independent claim, and claims 9-28 and 36-46 depend directly or indirectly from claim 8 (NB: claims 30 and 32-35 also depend directly or indirectly from claim 8, but the Applicants do not intend to further address this rejection of these five claims for the reasons stated in the next subsection);
- Claim 47 is an independent claim, and claims 48-53 depend directly or indirectly from claim 47;
- Claim 54 is an independent claim; and
- Claim 71 is an independent claim, and claims 72-89 depend directly or indirectly from claim 71.

Before addressing the merits of this rejection 6(a), the Applicants first address what they believe are errors in the Examiner's claim listings.

Dependent Claims 30 and 32-35

From a careful review of the entire outstanding Office action, it is apparent that the claim listings presented by the Examiner in rejections 6(a) and 6(e) as presented in Section 6 above are incorrect. In particular, the Applicants believe that the Examiner did not intend to include claims 30 and 32-35 in the listing of rejected claims for either of these two rejections. The Applicants note the following primary reasons for this belief:

- Rejection 6(b) is the same as rejection 6(a) except for the addition of Article 4/1993 in the 6(b) rejection. Similarly, rejection 6(f) is the same as rejection 6(e) except for the addition of Article 4/1993 in the 6(f) rejection. Although it is possible that the Examiner meant to reject claims 30 and 32-35 without relying upon Article 4/1993, the Examiner only discusses claims 30 and 32-35 when also relying upon Article 4/1993. That is, the Examiner's substantive discussion of rejection 6(a) on pages 3-7 of the Office action never mentions claims 30 and 32-35. Similarly, the Examiner's substantive discussion of rejection 6(e) on pages 12-16 of the Office action never mentions claims 30 and 32-35.
- Concerning rejection 6(f), the Examiner expressly states in numbered section 10 of the Office action (p. 17 of the Office action), that it is the second rejection of claims 30, 32-35, and 90. However, if the Examiner's claim listings in rejections 6(a) and 6(e) are correct, the 6(f) rejection would be the fourth rejection of claims 30 and 32-35.

Thus, for the remainder of this appeal brief, the Applicants will not further address claims 30 and 32-35 when discussing rejections 6(a) and 6(e), particularly since these two rejections include no substantive issues for the Applicants to rebut regarding these five claims.

Arguments

The Applicants respectfully traverse this rejection of claims 8-28, 30, 32-54, and 71-89 under § 103(a) for at least the following reasons.

The Feidelson '261 patent "is directed toward a customer loyalty investment program." See, e.g., Feidelson, col. 1, ll. 4-5 (emphasis added). In the system described in Feidelson, a registered member of an investment fund is issued shares in the fund based

upon the purchases the registered member makes from selected merchants. In essence, the registered member makes a purchase from a merchant; the merchant, in turn, pays a rebate that is based upon the purchase by the registered member into an investment fund; and the registered member is issued shares of the investment fund. The registered member is thereby "forced" to use the rebate generated by the purchase to invest in certain types of securities — a "forced" additional purchase — rather than being able to use the rebate to reduce the registered member's existing debt, as in the Applicants' claimed invention.

The Examiner asserts that Feidelson "fairly discloses a method of building personal financial assets" (4 May 2006 Office action, § 5, p. 3, ¶ 2) and discloses all aspects of the Applicants' rejected independent claims 8, 54, and 71 "except for a different type of building personal gain/asset, i.e. reducing personal financial liability by repaying (or paying down or reducing) loan obligation [sic]" (4 May 2006 Office action, § 5, p. 3, ¶ 2 (emphasis in original)). The Examiner then asserts that Shurling discloses "another method for improving customer relationship [sic] by encouraging more sale transactions with the customer . . . in a 'Loyalty Banking Program' {see col. 1, lines 15-25, and 55-67} which provide [sic] opportunity of rewarding loyalty [sic] customers who have accumulated loyalty points/incentive rewards by exchanging the points/rewards with real money/financial values such as by (1) reducing loan rate, (2) reducing bank service fee cost, or (3) increasing deposit account (CD) interest to the customer account, etc. (see col. 1, lines 30-65 (or 1:30-65), 2:10-15, 5:1-5, 5:15-25, 9:15-20)." 4 May 2006 Office action, § 5, p. 4, ¶ 4 (emphasis in original). As explained further below, in Shurling, the bank allocates points to a customer based upon the relationships that the customer has with the bank. Nothing in Shurling, however, suggests that those points assigned by the bank are "exchanged for real money." Rather, the bank assigns points to determine who its best customers are, and then the bank offers those customers a better deal on transactions.

The Examiner is correct that Feidelson fails to disclose or suggest a system that facilitates the repayment of a loan obligation based upon selective redemption of accumulated loyalty points. Getting something additional (like an "opportunity" to invest in pre-selected securities) is not comparable with reducing a loan balance. These are only broadly-related concepts (that is, on some level these concepts all have to do with money) and are not obvious variations of the same thing. Getting a "forced investment" based upon your purchases is better than getting nothing when you make purchases. Getting your loan

balance reduced is also better than getting nothing when you make purchases. These are not, however, obvious variations of the same "better than nothing." If a third party gives a pack of cigarettes to someone who purchases a pair of jeans from The Gap® in response to that purchase, some people would say that too is better than getting nothing, but would such a "tobacco gift program" render obvious the Applicants' unique loyalty program that facilitates repayment of a loan? The Feidelson reference discloses getting something else (a share of stock) for making purchases, rather than reducing your existing debt. Of course, an individual may eventually be able to sell or redeem his/her shares in the Feidelson patent investment fund, and then send the proceeds to a loan servicer to pay down a loan. This, however, involves additional steps that are neither disclosed nor suggested by Feidelson, whether considered alone or in combination with any of the other cited references.

Further, a "forced" investment like the one described in Feidelson (e.g., into the companies whose products you purchase) may lose value (see, e.g., Feidelson, col. 13, ll. 1-3 ("the value of the fund rises and falls with the value of its underlying securities")), whereas, when an individual's loan balance is reduced, as in the Applicants' claimed invention, the individual is always in a better financial position — there is no risk to the individual. This is another one of the clear differences between what is described in the Feidelson patent and the Applicants' claimed invention. Being "given" an additional item, whether a physical item or a share of stock, is not the same as or similar to reducing an existing debt. The only thing the '261 Feidelson patent has in common with the Applicants' claimed invention is that it too describes a customer award program. The Applicants, however, do not dispute that customer award programs existed before their claimed invention.

As stated above, the Examiner asserts that Feidelson "fairly discloses a method of building personal financial assets." 4 May 2006 Office action, § 5, p. 3, ¶ 2. The Applicants fail to see the relevance of this statement to their claimed invention. It is a truism that one's net worth will increase if you (1) make successful investments or (2) reduce your existing loan obligations (NB: when one uses "cash in hand" to reduced a loan obligation, this initially has a "net zero effect" on one's net worth, and one only sees an increase in her net worth later, once the affect of not paying further interest is eventually realized). The Applicants respectfully submit, however, that this truism does not support the "logical leap" that the Examiner is apparently trying to make: methods of buying securities render obvious methods of repaying loans. In other words, it may be true that making an

investment is a net zero transaction (by purchasing $10 worth of stock, you are out $10, but you have $10 worth of stock — ignoring transaction fees, immediate changes in the stock market, etc.) as is getting a loan (by getting a $10 loan, you have $10 in your pocket, but you owe the lender $10 — ignoring loan origination fees, etc.). But that ends any logical connection between these very different transactions. In general, people buy securities because they have extra cash that they hope to put to work making money ("it takes money to make money"). On the other hand, people get loans and make loan payments because they do not have sufficient money for something they want or need so they borrow money from someone else.

In an attempt to patch up the shortcomings in the Feidelson patent, this rejection of claims 8-28, 36-54, and 71-89 under § 103(a) also relies upon the Shurling patent. The Applicants respectfully submit that, even assuming without admission that Feidelson is properly combinable with Shurling in a § 103(a) rejection, Shurling does not make up for all that is lacking in Feidelson.

The Shurling patent is directed toward a relationship scoring and incentive reward system and method. Shurling discloses a two-party system for rewarding loyal bank customers with the following incentives: (1) reduced interest rates on loan accounts; (2) reduced banking service fees; or (3) increased interest on deposit accounts. The system disclosed in Shurling pertains to an internal data processing technique for determining the number of different relationships that a customer has with the bank, scoring the relationships, and awarding incentive rewards based upon the relationship score. See, e.g., Shurling, col. 1, ll. 7-11. The Shurling patent does not disclose or suggest a method of facilitating repayment of a loan obligation by redeeming accumulated loyalty/reward points as claimed by the Applicants. In particular, Shurling never discusses repayment of a loan using any type of accumulated loyalty/reward points. As explained further below, the Applicants respectfully submit that their claimed four-party (or more) system, which gives consumers an alternative way to pay a loan by making purchases from select third-party merchants, is patentably distinct from the system disclosed in the Shurling patent for recognizing bank customers who do a substantial amount of business with a bank, whether considered alone or in combination with the Feidelson patent.

The Applicants' claimed invention deals with the problems associated with repaying loans. In the Applicants' claimed invention, debtors are offered an alternative way to pay down the balance of their loans. In a simplified example of the Applicants' claimed

invention, a lender tells one of its existing debtors that, if the debtor purchases items like books and clothing from certain "third-party merchants" (i.e., merchants that are not a party to the lender-debtor relationship at the heart of the debtor's existing loan), the lender will, upon authorization from the debtor, "pay down" some or all of the debtor's loan balance. Nothing like this is disclosed in, or suggested by, the Shurling patent, whether considered alone or in combination with the Feidelson patent.

The bank in the Shurling patent is trying to get more business from its repeat customers by "bating them" with attractive rates. Attempting to keep existing customers with attractive rates is nothing new. For this reason, Shurling focuses on a specific internal system and method for analyzing and rating customer relationships in order to determine which bank customers should be offered these attractive rates. Nothing in the Shurling patent, however, suggests offering these existing bank customers an alternative way to pay down their existing loan balances via transactions between the bank's customers and "unrelated third parties" (i.e., third parties who are not a part of the ongoing relationship between the bank and the bank's customers, which is the relationships at the heart of the relationship-scoring technique disclosed in Shurling). In other words, even if one of the bank's preferred customers is given a slightly better rate on a loan than would be offered to a new, walk-in customer, the established preferred bank customer still must pay back the loan the old-fashioned way – by making payments in US currency. No alternative means for repaying the loan are offered or suggested by the Shurling's system and method.

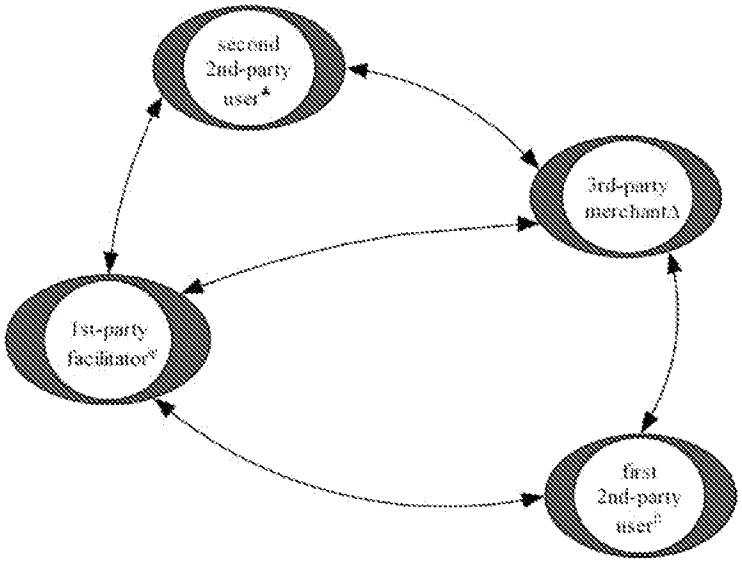
Again, the Shurling patent discloses a specific data processing technique for determining the number of different relationships that a customer has with the bank, scoring those relationships, and awarding incentives to those bank customers who have desirable types and/or numbers of relationships with the bank. See, e.g., Shurling, col. 1, ll. 7-11. The Applicants' claimed invention has nothing to do with determining "desirable types or numbers of relationships"; it relates to problem of repaying loans and provides debtors with alternative ways to pay back their loans, whether a particular debtor has one loan or 100 loans with one lender or several lenders, and whether the particular debtor has been doing business with the lender or lenders for one day or 100 years.

Further, in the Shurling patent, the bank gives up some of its profit (e.g., by charging debtors lower rates on loans, or paying its best customers higher rates for deposit savings accounts) to get more business from these bank customers determined by the patented "data processing technique" to be desirable customers. The Examiner has

compared the discussion in the Shurling patent of such rate incentives (i.e., loss of profit for the bank) to the Applicants' claimed system. In the Applicants' claimed system, however, a lender (e.g., a claimed "first party") does not give up any of its profit, it just collects that profit from other than the debtor. In fact, in the Applicants' claimed system, the lender may receive some revenue directly from the third-party merchants to defray the cost of administering the claimed system. For example, Fig. 25 of the Applicants' drawings shows "Unipac Rev." Unipac is a sample "first party"; and the table in Fig. 25 shows Unipac receiving revenue from three different third-party merchants. The Applicants' claimed method is not comparable with the systems disclosed in the cited references.

In the Applicants' claimed invention, a consumer who has a loan with a loan servicer is allowed to apply points earned by making purchases from third-party merchants to pay down the balance of the consumer's loan with the loan servicer – a three-party (or more) transaction coordinated by, for example, the loan servicer. The following diagram schematically represents the various party relationships involved in the Applicants' independent claims:

Party Relationships: Independent Claim 8, 47, 54, 65, and 71



Ψ The 1st-party facilitator makes it all possible, coordinates/directs activities, communicates with all parties on some level (all claims) (may be a "primary loan servicer" - see, claims 23, 25, 28, 48, and 50)

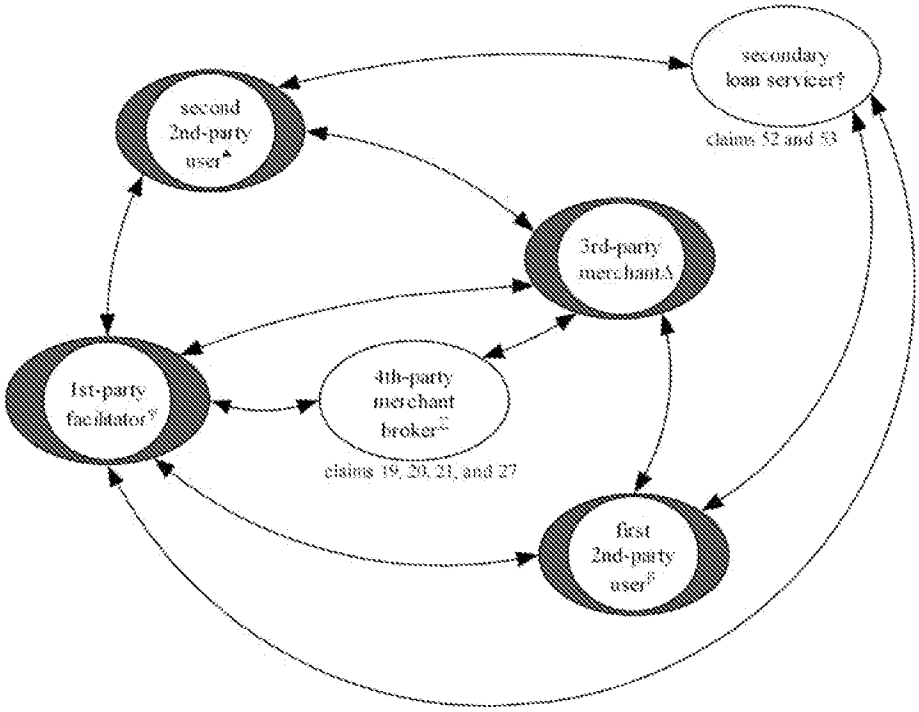
Δ The 3rd-party merchant offers goods/services for sale and agrees to "rebate" a portion of the purchase price to help one of the 2nd-party users pay back a loan (all claims)

β The first 2nd-party user makes purchases to earn loyalty points, redeems loyalty points by repaying a loan of its own or by transferring points to a second 2nd-party user (all claims)

♦ The second 2nd-party user makes purchases to earn loyalty points, redeems loyalty points by repaying a loan of its own or by transferring points to the first 2nd-party user (the second 2nd-party user is implicitly or expressly present in all claims and takes action, or receives a benefit from an action taken by the first 2nd-party user, in, for example, claims 30, 63, 65, 70, 90, and 91)

In Shurling's system, the bank itself gives certain bank customers better deals on interactions with the bank because these customers have been loyal to the bank in the past – a much different two-party transaction. The following diagram schematically represents the various party relationships involved in the most-complex form of the Applicants' claimed invention:

Party Relationships: Most Complex



† The secondary loan servicer "oversees" the repayment of a loan of one of the 2nd-party users and may or may not be the 1st-party facilitator (see, e.g., claims 52 and 53)
Σ The 4th-party merchant broker is an additional party who helps the 1st-party facilitator work with the 3rd-party merchants (see, e.g., claims 19, 20, 21, and 27)

The Shurling patent might be relevant to what the Applicants are claiming if it disclosed something like the bank allowing *Mr. Borrower* to redeem, for example, his frequent flyer miles from an unrelated third-party airline to pay down his existing loan with *Shurling Bank*. This, however, is not even remotely suggested by the Shurling patent. The Shurling patent not only fails to disclose or suggest a system for paying down the balance of a loan with the disclosed incentive rewards, but Shurling also fails to disclose or suggest a system for paying down the balance of a loan with loyalty points earned from a third-party

merchant. In the Applicants' view, there is a huge difference between a bank itself giving a customer a break on the interest rate on, for example, a loan with the bank ("if you do enough business with this bank, the bank itself will give up some of its profit in order to give you a better deal"), and allowing a customer to pay back an existing loan using "rebates" earned by purchases from third-party purchases ("as your loan servicer, we will allow you to reduce the balance of your loan via normal payments in US currency or, alternatively, you may apply rebates from unrelated third-party merchants (i.e., merchants who are not a party to our original lender-borrower agreement) to pay down your existing loan with us, your loan servicer"). The Shurling patent discloses a two-party transaction, and the Applicants' claims are directed toward a different, three-party (or more) transaction.

The entire discussion of Shurling from the beginning of the paragraph bridging pages 4-5 of the Office action through the first full paragraph on page 5 of the Office action seems mainly, if not completely, irrelevant to the Applicants' claimed invention. In particular, this discussion concerns how the Shurling patent relates to one method of rewarding bank customers by giving the bank's loyal customers discounts. As stated by the Examiner, the Shurling patent relates to "improving customer relationship [sic] by encouraging more sales transactions with the customer." 4 May 2006 Office action, p. 4, ¶ bridging pp. 4-5 (emphasis added). The Applicants agree that the Shurling patent discusses a method of soliciting additional transactions from good customers by giving such customers deals. The Applicants believe that, in that paragraph bridging pages 4-5 of the Office action, the Examiner is making the following two basic assertions:

(1) The Shurling '415 patent discloses a program for rewarding loyal customers with one of more of the following:
    (i) reduced interest rates on loan accounts,
    (ii) reduced banking service fees, or
    (iii) increased interest on deposit accounts.

(2) A money manager or bank officer knows that three variables define a personal loan:
    (i) the amount borrowed;
    (ii) the interest rate charged; and
    (iii) the length of the loan repayment period.

The Applicants do not disagree with either of these two basis assertions. Concerning item (2), the Applicants agree with the truism that the following four parameters affect a loan obligation: amount borrowed, interest rate charged, length of the loan repayment period, and payment frequency. The Applicants agree that a borrower's loan obligation

changes whenever the lender changes one or more of these parameters. The Applicants' claimed invention, however, concerns how the loan is repaid, not how the loan obligation is defined; and none of these four variables relates to "how" the loan is repaid, which, in the Applicants' claimed invention, is via rebates earned by making purchases from third-party merchants.

The Applicants cannot understand how the Shurling patent, whether considered alone or in combination with the Feidelson patent or any of the other references, discloses or renders obvious the Applicants' claim method of facilitating the repayment of the principal balance of an existing loan obligation. The Shurling patent discusses rewarding loyal bank customers by giving them discounts. Contrary to what the Examiner suggests, the Shurling patent completely fails to teach or suggest letting bank customers reduce their existing loan obligations based upon their loyalty to the bank. *Mr. Borrower* cannot go into *Shurling Bank* and say, "I heard that your software determined that I'm a loyal bank customer, so I want you to reduce the outstanding balance of my existing loan." Such a system is not disclosed in, or suggested by, the Shurling patent. In the Shurling '415 patent, there is nothing that bank customers, whether loyal to the bank or not, can do about repaying their existing loans (for example, the loans that made the bank's software determined that these customers were worthy of some deals to encourage future business with the bank) other than to pay the loans back in full or risk losing their "preferred customer" status. As argued above, the Feidelson '261 patent also fails to teach or suggest the use of rebates from third-party merchants to reduce the outstanding balance of an existing loan as in the Applicants' claimed invention.

Contrary to what the Examiner suggests on page 5 of the Office action about the Shurling patent, it would not be "obvious for the banker to reduce the loan amount" of a bank customer's existing loan. See 4 May 2006 Office action, p. 5, ll. 3-5. This is improper speculation by the Examiner. How many banks ever tell even their best customers that, "merely because we think you're a good customer, the bank is going to reduce the principal balance of one of your existing loans"? Even if banks did what the Examiner suggests is an "obvious" alteration of Shurling (again, reducing the balance of an existing loan is neither disclosed in nor suggested by the Shurling patent), that is not what the Applicants are claiming. In the Applicants' claimed invention, the lender gets the entire loan repaid — the claimed invention merely provides an alternative means for repayment — the payment money coming directly from merchant rebates rather than from the borrowers cash

reserves. Neither the Shurling '415 patent nor the Feidelson '261 patent discusses the claimed method of facilitating the payment of a loan obligation directly via rebates received from merchants whose products the borrower buys.

The Applicants submit that the Examiner has not only failed to establish that the Feidelson patent and the Shurling patent (as modified by the Examiner), whether considered alone or in combination, disclose or suggest all aspects of the Applicants' claims (e.g., the repayment of a loan obligation via rebates from merchants) for at least the reasons set forth above, but the Examiner has also failed to establish that these two references are properly combinable in this § 103(a) rejection. The Examiner's bald assertion that "it would have been obvious" to modify the Feidelson patent with the disclosure of the Shurling patent as modified by the Examiner is, standing alone, insufficient to support the purported combination of these references. According to case law as cited in the MPEP, three basic criteria must be met to establish a prima facie case of obviousness:

> First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure. In re Vaeck, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991).

MPEP § 2142; see also MPEP §§ 706.02(j), 2143. The MPEP also provides as follows:

> "The prior art must provide a motivation or reason for the worker in the art, without the benefit of appellant's specification, to make the necessary changes in the reference device." Ex parte Chicago Rawhide Mfg. Co., 223 USPQ 351, 353 (Bd. Pat. App. & Inter. 1984).

MPEP § 716.02(f). And, the MPEP further states,

> When the motivation to combine the teachings of the references is not immediately apparent, it is the duty of the examiner to explain why the combination of the teachings is proper. Ex parte Skinner, 2 USPQ2d 1788 (Bd. Pat. App. & Inter. 1986).

MPEP § 2142.

Considering initially the first of the three MPEP quotes above, the Applicants have already argued in this appeal brief why the cited references, whether considered alone or in combination, fail to teach or suggest all of the claim limitations. The Examiner states that Feidelson is insufficient. The Examiner also states that Shurling fails to meet the

deficiencies of Feidelson and then suggests a nonobvious and nonintuitive modification of Shurling. In addition, the Applicants also respectfully submit that the cited references fail to provide the required (1) "teaching or suggestion to make the claimed combination" and (2) "reasonable expectation of success." These must both be found in the prior art, and not based on applicant's disclosure.

Motivation to combine references may only be found in the teachings of the prior art, the nature of the problem to be solved, and the knowledge of persons of ordinary skill in the art. MPEP § 2143.01(I) (citing In re Rouffet, 149 F.3d 1350 (Fed. Cir. 1998)). Further, it is not sufficient that the asserted references can be combined; the prior art must suggest the desirability of the combination. MPEP § 2143.01(III) (citing In re Mills, 916 F.2d 680 (Fed. Cir. 1990)). The burden of establishing that the combination is desirable rests squarely upon the Examiner. In re San Su Lee, 277 F.3d 1338 (Fed. Cir. 2002)

The Examiner cites the Feidelson patent as disclosing an online customer loyalty investment program. The program requires, at a minimum, complex interactions among customers, merchants, and an administrator (e.g., a broker/dealer registered under the Securities Exchange Act of 1934). On the other hand, the Shurling patent discloses an "internal" (see, e.g., Shurling, col. 5, ll. 49-51 (computer located on bank's premises); col. 6, ll. 19-22 (connections via a local area network); and col. 7, l. 2 (connections via a local area network)) customer scoring technique for determining which bank customers are the most valuable to the bank and then incentivizing those bank customers to do more business with the bank. The Shurling patent teaches away from giving bank customers any direct access to the system, let alone online access. The Shurling patent emphasizes the "automatic" data extraction from previously-existing bank records (i.e., the existing "customer information file" or CIF 30 ~ see, e.g., Shurling, col. 2, ll. 49-54; col. 2, ll. 56-59; col. 2, l. 64, through col. 3, l. 1; col. 3, ll. 1-5; col. 3, ll. 5-11; col. 3, ll. 12-15; col. 3, ll. 15-18; col. 3, ll. 18-21; col. 4, ll. 28-34; col. 17, ll. 52-55; and col. 8, ll. 62-65) via an operation that runs on the bank's internal computers, as it must because of the confidential nature of the customer-specific financial information being analyzed. See, e.g., Shurling, col. 4, ll. 28-32; and col. 10, ll. 36-43. A customer's relationship score is determined automatically based upon data extracted from the bank records concerning its customers transactions with the bank. See, e.g., Shurling, col. 2, ll. 54-56; col. 8, ll. 7-11; and col. 15, ll. 41-46. Since these relationships "are what they are," the bank has no reason to ever give a bank customer direct access to this information. A bank customer with direct

access to these records via a global computer network would potentially be able to inappropriately manipulate that data and taint the Shurling relationship scoring system. As a result, online access by bank customers would detrimentally affect the reliability and integrity of the method as described in the Shurling patent. Since Shurling relates to an internal banking matter that uses existing records, online access would make this system and method vulnerable to improper manipulation. This creates an "expectation of failure" of the combination of Feidelson with Shurling rather than an "expectation of success." These two references clearly teach away from each other.

Thus, the complex interactions among customers, merchants, and an administrator described in the Feidelson patent are not found in the Shurling patent. Rather, the Shurling patent deals exclusively with a method of internally analyzing a bank customer's prior transactions with the bank to determine based upon an automatically-calculated relationship score whether the customer is valuable to the bank. In addition, the bank in the Shurling patent says, in essence, "we are going to look at our past relationships with you and, if we determine based upon that analysis that you are a good bank customer, the bank is going to give you a deal on your business with the bank." On the other hand, the Feidelson patent says, in essence, "we are going to make you a loyal customer by giving you ownership in the businesses that you patronize, hopefully making you want to patronize those businesses even more." Nothing in either the Feidelson patent or the Shurling patent suggests that either would benefit from the other. That is, the references, whether considered alone or in combination, fail to provide any motivation or reason for the worker in the art to make the changes in the references suggested by the Examiner or the combination suggested by the Examiner. A fortiori, these references also fail to provide a reasonable expectation of success of the suggested combination. Thus, the Applicants respectfully submit, for at least the reasons provided above, that Feidelson is not properly combinable with Shurling. One of ordinary skill in the art would not be motivated to make the asserted combination without the improper application of hindsight in light of the present invention. See In re Kotzab, 217 F.3d 1365, 1371 (Fed. Cir. 2000) ("Particular findings must be made as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination in the manner claimed."); see also MPEP § 2145(X). Accordingly, the Applicants respectfully submit that the Examiner has not carried the burden of establishing the desirability of the asserted combination.

Each of claims 9-28 and 36-46 depends directly or indirectly from independent claim 8, and each of claims 48-53 depends directly or indirectly from independent claim 47, and each of claims 72-89 depends directly or indirectly from independent claim 71. These dependent claims add further limitations that the Applicants believe the Feidelson patent and the Shurling patent also fail to disclose, at least in the context of a three-party (or more) transaction, but the Examiner does not specifically reject most of these dependent claims. Additionally, some of these dependent claims (e.g., claims 19, 20, 21, 27, 52, and 53) are directed toward transactions involving four or more parties, which is even a further departure from the cited references (see the figure on page 21 above). Moreover, the Applicants believe that at least some of the asserted support for the rejections is inaccurate.

By way of example, in the second full paragraph on page 5 of the Office action and again on the last line of page 13, the Examiner cites various portions of the Feidelson patent as supporting the Examiner's assertion with regard to dependent claim 9 that "the concept of tracking automatically is well known." At least the first two of the cited portions of Feidelson have nothing to do with automatic tracking of loyalty points and, thus, do not teach what they are asserted to teach and do not support the rejection. Similarly, dependent claim 10 relates to storing initial registration information in a participant table, and dependent claim 11 specifies what the initial registration information comprises in one embodiment. In the rejection of these two dependent claims, the Examiner cites column 9, lines 40-67 of Feidelson. The cites portion of Feidelson, however, has nothing to do with collecting or storing registration information.

The Examiner also repeatedly states throughout the Office action with regard to the dependent claims, that various claimed features are "non-essential to the scope of the claimed invention," "would have been obvious," and/or "are well known" without tying the citations together, without explaining where the citations teach or suggest the proffered combinations, and without discussing the expectation of success of the combination. The Examiner must establish the prima facie unpatentability of each claim before the Applicants are obligated to address the rejection; and the Applicants respectfully submit that the Examiner has failed to do this for both the independent claims and the dependent claims. Even assuming that the Examiner was able to find a particular limitation in a reference, that alone does not establish the unpatentability of the claimed combination that includes the limitation. It is well established that a patentable invention may consist entirely of old

elements, and it is impermissible for the Examiner to merely "reconstruct" the Applicants' claimed invention using the claims as a template.

The Applicants respectfully submit that their claimed method, which allows consumers to pay back the principal balance of a loan by applying points obtained by making purchases from third-party merchants, is unique. Whether the cited references (namely the Feidelson patent and the Shurling patent) are considered alone or in combination, and assuming for sake of argument and without admission that these references are properly combinable, these references fail to teach or suggest all of the limitations from independent claims 8, 47, 54, and 71 (i.e., all of the independent claims rejected under this § 103(a) rejection). Neither the Feidelson '261 patent nor the Shurling '415 patent suggests or teaches repayment of a loan using loyalty points earned from other purchases. For example, the Feidelson '261 patent completely fails to discuss the repayment of loans, and the Shurling '415 patent completely fails to discuss applying reward points to reduce the balance of an existing loan (let alone a system for doing so using rebates from third-party merchants). Thus, these references, even when considered together, fail to teach or suggest the Applicants' claimed invention. Further, for at least the reasons provided above, the Applicants could find nothing in either of these references suggesting their combination, let alone giving one an expectation of such a combination succeeding. Thus, the Applicants believe that, not only do the teaching of these references fail to disclose or suggest each of the limitations in the Applicants' independent claims, but the cited references also fail to include anything suggesting or supporting their combination as proffered by the Examiner; and the cited references also fail to include anything creating any expectation that the proffered combination would perform successfully.

The Applicants respectfully request that the Board (1) confirm that dependent claims 30 and 32-35 were not substantively rejected under this § 103(a) rejection based upon the Feidelson '261 patent in view of the Shurling '415 patent; and (2) reverse this rejection under § 103(a) of claims 8-28, 36-54, and 71-89 based upon the Feidelson '261 patent in view of the Shurling '415 patent.

Rejection 6(e): § 103(a) - Feidelson in view of the GM Card Article and the Lux in Flux Article

This rejection is similar to rejection 6(a), but here claims 8-28, 36-54, and 71-89 stand rejected under § 103(a) as being unpatentable over a combination of three

references: Feidelson in view of the GM Card Article and the Lux in Flux Article. In other words, this rejection is the same as rejection 6(a) except the Examiner has swapped Shurling out for a combination of the GM Card Article and the Lux in Flux Article. The Applicants respectfully traverse this rejection under § 103(a) for at least the following reasons.

Shurling vis-à-vis the GM Card Article and the Lux in Flux Article

Before further discussing rejection 6(e) on the merits, the Applicants first will discuss the Examiner's use of the GM Card Article and the Lux in Flux Article in lieu of Shurling. As also discussed elsewhere in this brief, there are eight rejections, four of which correspond to the other four, with the only difference between corresponding rejections being that the Examiner swaps the Shurling patent out for a combination of the GM Card Article and the Lux in Flux Article.

In particular, the Examiner rejects each of claims 8-28, 36-54, and 71-89 under 35 USC § 103(a) on the following two groups of references:

- Feidelson in view of Shurling [6(a)]
- Feidelson in view of the GM Card Article and the Lux in Flux Article [6(e)]

The Examiner rejects each of claims 30, 32-35, and 90 under 35 USC § 103(a) on the following two groups of references:

- Feidelson in view of Shurling, and further in view of Article 4/1993 [6(b)]
- Feidelson in view of the GM Card Article and the Lux in Flux Article, and further in view of Article 4/1993 [6(f)]

The Examiner rejects each of claims 55-62 under 35 USC § 103(a) on the following two groups of references:

- Feidelson in view of Shurling, and further in view of Wong [6(c)]
- Feidelson in view of the GM Card Article and the Lux in Flux Article, and further in view of Wong [6(g)]

The Examiner rejects each of claims 63-70 and 91 under 35 USC § 103(a) on the following two groups of references:

- Feidelson in view of Shurling and Wong, and further in view of Article 4/1993 [6(d)]
- Feidelson in view of the GM Card Article, the Lux in Flux Article, and Wong, and further in view of Article 4/1993 [6(h)]

This relationship between the various rejections also may easily be seen in the "Claim Rejection Chart" attached to this brief after the listing of claims.

Arguments

The discussion of Feidelson presented above and throughout this brief is applicable to the discussion of this additional rejection under § 103(a) and is fully incorporated by reference. The Applicants respectfully submit that, even assuming without admission that the '261 patent to Feidelson is properly combinable with the GM Card Article and the Lux in Flux Article in a § 103(a) rejection (the impropriety of combining these references is discussed further below), neither the GM Card Article nor the Lux in Flux Article, whether considered alone or in combination, make up for all that is lacking in Feidelson.

With regard to the GM Card Article, the Examiner stated, verbatim, as follows:

> In another method for improving customer relationship [sic] by encouraging more sales transactions with the customer, GM Card Article discloses the use of loyalty points (5% of charge volume on the card) being redeemable for rebates of the purchase price of a car or van or as cash at shops {see page 1, 4th and 6th paragraphs}.

5 May 2006 Office action, at p. 13, § 9, ¶ 2, ll. 1-4 (emphasis added).

With regard to the Lux in Flux" Article, the Examiner stated, verbatim, as follows:

> "LUX in FLUX" Article is merely cited to teach (1) well known fact of obtaining of a new car is done by leasing or by obtaining a loan through the car company's credit corporation (i.e. General Motors Corp.) and (2) wherein customer can redeem loyalty points (frequent-flier miles) toward the purchase of a car {see page 2, 6th paragraph}.

5 May 2006 Office action, at p. 13, § 9, ¶ 2, ll. 4-8 (emphasis in original).

Again, as argued above, the Examiner is improperly trying to equate the acquisition of new things to the Applicants' claimed method of paying down an existing loan. None of the references discloses or suggests the claimed method for using rebates from third-party merchants to pay down an existing loan. The fact that you can reduce the price of a new car using rebates or frequent flyer miles, or that you can lease a car or get a loan for a new car does not help the Feidelson '261 patent render obvious the Applicants' claimed invention. The Applicants' claimed alternative means for repaying a loan obligation by selectively redeeming rebates earned by making purchases from third-party merchants is different from redeeming points for cars or other items. In fact, exchanging reward points for cars or other items is the opposite of what the Applicants' system and method allows

borrowers to do. More specifically, in the Examiner's references, credit card users redeem their points to, for example, get discounts on cars. In the Applicants' claimed invention, on the other hand, borrowers get points by buying items – points that the borrower may later use to repay a loan obligation. In this sense, the Examiner's references in fact teach away from the Applicants' claimed invention. This "teaching away" becomes clear when one considers who is paying whom. Similar to what is described in the Shurling '415 patent, in the GM Card Article, GM is losing revenue to its credit card customers (not factoring in consumers who do not pay off their credit cards each month and not factoring in the money that credit card issuers typically get from retailers that accept credit cards). In Shurling, the bank loses revenue by offering its best customers rates that are favorable to those customers. In the GM Card Article, the credit card issuer is losing revenue by "paying" its card holders rebates that the card holders may use to buy other stuff. For example, part of the money that ordinarily would comprise the credit card issuer's profit is paid back to the card holder for that card holder to buy certain predetermined items from merchants like GM dealers, shops, hotels, and restaurants.

In the Applicants' claimed system, on the other hand, these merchants are "paying" both the loan servicer and the borrower. The borrower in the Applicants' claimed system can then use its "payment" from the third-party merchants to pay the loan servicer. In the Applicants' claimed invention, the loan servicer does not pay anyone and does not lose revenue. The banks mentioned in the Shurling '415 patent and the credit card issuer mentioned in the GM Card Article are clearly not comparable to the Applicants' claimed first party, which may be a primary loan servicer (see, e.g., claims 23, 28, and 48) or a secondary loan servicer (see, e.g., claims 52 and 53). In the Applicants' claimed invention, the loan servicer gets its payment in full (and then some), it just gets it indirectly from the third-party merchants rather than from its debtors.

To reiterate, in one aspect of the Applicants' claimed system and method, a first-party loan servicer facilitates the user making a purchase from a third-party merchant in order to obtain loyalty points that the user redeems to pay down the balance of a loan being serviced by a loan servicer. In the Applicants' claimed invention, the website visitor (i.e., the claimed "second-party user") is being incentivized to make a purchase from selected third-party merchants by allowing the website visitor to obtain a "rebate" from its purchase that may be applied to reduce the balance of a loan being serviced by a party other than the third-party merchant, for example. In the Applicants' claimed system and

method, therefore, a user must spend money at a third party's website before they will earn loyalty points that may be applied to reduce the balance on their loan being serviced by a loan servicer (i.e., the first party or a secondary loan servicer). This is vastly different from what occurs in both the Shurling '415 patent and the system described in the GM Card Article. The Applicants' claimed invention is directed toward a four-party (or more) system for obtaining points by making purchases from selected third-party merchants and then being able to apply those points to reduce the balance of a loan being serviced by a party that is different from the third-party merchants from whom the purchases are being made. Again, unlike what is being disclosed in the cited references, the loan servicer in the Applicants' claimed invention collects its full amount due – it just effectively collects part of that amount from a third-party merchant who is not otherwise a party to the loan being repaid with the rebated funds. The Applicants respectfully submit that this is neither suggested nor disclosed by the cited GM Card Article, whether considered alone or in combination with the Feidelson '261 patent and/or the Lux in Flux Article.

The Applicants respectfully submit that their system and method of rejected independent claims 8, 47, 54, and 71, for example, which allows consumers to pay back the balance of a loan being serviced by a loan servicer by applying points obtained by making purchases from selected third-party merchants, is unique. It is neither disclosed nor rendered obvious by the Feidelson patent cited by the Examiner, whether considered alone or in combination with the GM Card Article and/or the Lux in Flux Article. None of these relied upon references suggests or teaches a three-party (or more) transaction for repayment of a loan using loyalty points earned from purchases at third-party merchants, and the Applicants could find nothing in any of these references suggesting their combination, let alone giving one an expectation of such a combination succeeding. Thus, the Applicants believe that, not only do the teachings of these references fail to disclose or suggest each of the limitations in the Applicants' independent claims that are subject to this rejection for at least the reasons stated above, but the cited references also fail to include anything suggesting or supporting their combination as proffered by the Examiner, and the cited references also fail to include anything creating any expectation that the proffered combination would perform successfully.

Dependent claims 9-28, 36-46, 48-53, and 72-89 add further limitations that the Applicants also believe the cited references fail to disclose, at least in the context of the various claimed three-party (or more) transactions. As mentioned, the Examiner must

establish the prima facie unpatentability of each claim before the Applicants are obligated to address the rejection; and the Applicants respectfully submit that the Examiner has failed to do this for both the independent claims and the dependent claims. Even assuming that the Examiner was able to find a particular limitation in a reference, that alone does not establish the unpatentability of the claimed combination that includes the limitation. It is well established law that a patentable invention may consist entirely of old elements, and it is impermissible for the Examiner to merely "reconstruct" the Applicants' claimed invention using the claims as a template.

Thus, whether the cited references (namely the Feidelson '261 patent, the GM Card Article, and the Lux in Flux Article) are considered alone or in combination, and assuming for sake of argument and without admission that these references are properly combinable, these references fail to teach or suggest all of the limitations from independent claims 8, 47, 54, and 71 (i.e., all of the independent claims rejected under this § 103(a) rejection). For example, the Feidelson patent and the GM Card Article completely fail to discuss the repayment of loans, and the Lux in Flux Article completely fails to discuss a reward program that facilitates repayment of an existing loan (let alone a system for doing so using rebates from third-party merchants). Thus, these references, even when considered together, fail to teach or suggest the Applicants' claimed invention. The Applicants also respectfully submit that the references are not properly combinable.

The Applicants respectfully request that the Board (1) confirm that dependent claims 30 and 32-35 were not substantively rejected under this § 103(a) rejection based upon the Feidelson '261 patent in view of the GM Card Article and the Lux in Flux Article; and (2) reverse this rejection under § 103(a) of claims 8-28, 36-54, and 71-89 based upon the Feidelson '261 patent in view of the GM Card Article and the Lux in Flux Article.

Rejection 6(b): § 103(a) - Feidelson in view of Shurling, and further in view of Article 4/1993

Claims 30, 32-35, and 90 stand rejected under § 103(a) as being unpatentable over a combination of three references: Feidelson in view of Shurling as applied to claims 8-28 above, and further in view of Article 4/1993. See 4 May 2006 Office action, at p. 9, § 6, ¶ 1. The Applicants respectfully submit that, even assuming without admission that Feidelson is properly combinable with Shurling and Article 4/1993 in a § 103(a) rejection (the impropriety of combining these references is discussed further below), this combination of references fails to disclose or suggest all of the limitations of the rejected claims. Thus,

the Applicants respectfully traverse this rejection under § 103(a) for at least the following reasons.

Arguments

The discussion of the Feidelson patent and of the Shurling patent presented above and throughout this brief is applicable to the discussion of this additional rejection under § 103(a) and is fully incorporated herein by reference. The Applicants make the following additional arguments concerning this § 103(a) rejection.

Dependent claim 30 adds a step to the method wherein the first party permits the first second-party user to transfer loyalty points to the second second-party user. In particular, the first party (e.g., the loan servicer) facilitates accumulation of loyalty points by a first second-party user at a third-party merchant's site. The first party then permits this first second-party user to transfer accumulated loyalty points to the second second-party user. This is a four-party transaction. Article 4/1993, on the other hand, discusses a feature of the All Nippon Airways' frequent flyer program that permits a member of that program to transfer a free award ticket to another person, which is a three-party transaction. Also, neither Feidelson, Shurling, nor Article 4/1993, whether considered alone or in combination, discloses a method of facilitating repayment of a loan obligation based upon discretionary redemption of accumulated loyalty points. That is, none of these references teaches or suggests the Applicants' claimed alternative way to pay down a loan. These cited references thus again fail to disclose or suggest all of the limitations of the Applicants' claims.

In addition, the Examiner has again completely failed to include any substantive showing of either (a) a motivation for the worker in the art to combine the references as suggested by the Examiner, or (b) a reasonable expectation of success of the suggested combination. As stated above, the Feidelson patent teaches away from the Shurling patent. Article 4/1993 also teaches away from the Shurling patent for similar reasons. Shurling never suggests the need to transfer (or any benefit of transferring) an incentive reward from one bank customer to a different bank customer. This, in fact, would conflict with the underlying intension of Shurling. In particular, the *Shurling Bank* wants additional business from *Customer 1,* whom the bank has identified as a VIP. The bank thus would not want to enable *Customer 1* to make a discretionary transfer of an incentive award to *Customer 2,* with whom the bank may be less enthralled. In the frequent flyer program of Article

4/1993, All Nippon Airways owes someone a free ticket, and the airline probably does not particularly care who takes the free flight. On the other hand, *Shurling Bank* has spent time and effort to identify *Customer 1* as someone from whom the bank wants additional business, so *Shurling Bank* certainly would not want to make the bank's incentive, which the bank has specifically directed toward sought-after *Customer 1,* transferable to a potentially less desirable bank customer at the whim of *Customer 1.* Such a discretionary transfer option would defeat the purpose of the Shurling customer scoring system. Likewise, Feidelson never suggests any transfer of rebates or shares between members.

The Applicants contend that the Examiner has not, and cannot, point to any required motivation to combine the three relied-upon references other than the Applicants' claimed invention. The Examiner's bald assertion that "it would have been obvious" to modify Feidelson and Shurling with Article 4/1993 does not make it so. See 4 May 2006 Office action, at p. 9, § 6, ¶ 2. "[T]he examiner must show reasons that the skilled artisan, confronted with the same problems as the inventor and with no knowledge of the claimed invention, would select the elements from the cited prior art references for combination in the matter claimed." In re Rouffet, 149 F.3d at 1357. "It is impermissible . . . to engage in a hindsight reconstruction of the claimed invention, using the applicant's structure as a template in selecting elements from references to fill the gaps." In re Gorman, 933 F.2d 982, 987 (Fed. Cir 1991) (citing Interconnect Planning Corp. v. Feil, 774 F.2d 1132, 1143 (Fed. Cir. 1985)); see also Interconnect, 774 F.2d at 1138 ("The invention must be viewed not with the blueprint drawn by the inventor, but in the state of the art that existed at the time [the invention was made]"). Federal Circuit "case law makes clear that the best defense against the subtle but powerful attraction of a hindsight-based obviousness analysis is rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references." In re Dembiczak, 175 F.3d 994, 999 (Fed. Cir. 1999). Thus, the Applicants respectfully submit that the three are not properly combinable as suggested by the Examiner.

Dependent claims 32-35 and 90 depend directly or indirectly from claim 30, and add further limitations that the Applicants also believe the cited references fail to disclose, at least in the context of a four-party transaction.

For at least the reasons presented above, the Applicants respectfully request that the Board reverse this rejection of dependent claims 30, 32-35, and 90 under § 103(a).

Rejection 6(f): § 103(a) - Feidelson in view of the GM Card Article and the Lux in Flux Article, and further in view of Article 4/1993

This rejection is similar to rejection 6(b), but here claims 30, 32-35, and 90 stand rejected under § 103(a) as being unpatentable over a combination of four references: Feidelson in view of the GM Card Article and the Lux in Flux Article as applied to claims 8-28 above, and further in view of Article 4/1993. See 4 May 2006 Office action, at p. 17, § 10, ¶ 1. In other words, this rejection is the same as rejection 6(b) except the Examiner has swapped Shurling out for a combination of the GM Card Article and the Lux in Flux Article. The Applicants respectfully traverse this rejection under § 103(a) for at least the following reasons.

Arguments

The discussion of the Feidelson patent, the GM Card Article, the Lux in Flux article, and Article 4/1993 presented above and throughout this brief is applicable to the discussion of this additional rejection under § 103(a) and is fully incorporated herein by reference. The Applicants make the following additional arguments concerning this § 103(a) rejection.

As noted supra on page 29, in the section entitled "Shurling vis-à-vis the GM Card Article and the Lux in Flux Article," throughout the final Office action, for each rejection based upon the Shurling patent, the Examiner makes a corresponding second rejection replacing the Shurling patent with the combination of the GM Card Article and the Lux in Flux Article. Here, for example, in rejection 6(f), the Examiner applies Feidelson in view of the GM Card Article and the Lux in Flux Article, and further in view of Article 4/1993. This corresponds to earlier rejection 6(b), in which the Examiner applied Feidelson in view of Shurling, and further in view of Article 4/1993; but, in rejection 6(f), Shurling has been swapped out for the combination of the GM Card Article and the Lux in Flux article.

Claim 30, which relates to a transfer of loyalty points from the first recognized second-party user to the second recognized second-party user, depends directly from independent claim 8. Thus, the Applicants hereby incorporate their arguments concerning rejection 6(e), which the Applicants believe demonstrate the failure of the combination of Feidelson plus the GM Card Article and the Lux in Flux Article to render obvious independent claim 8. For this rejection 6(f), the Examiner has essentially taken rejection 6(e) of claim 8 and added Article 4/1993 to the mix in an effort to address the transfer of loyalty points added by claim 30. The Examiner, however, has again failed to include any substantive showing of either (a) a motivation for the worker in the art to combine the references as

suggested by the Examiner, or (b) a reasonable expectation of success of the suggested combination.

Nothing in Feidelson, the GM Card Article, the Lux in Flux Article, or Article 4/1993 suggest the proffered combination of these four references. As discussed previously, nothing in Feidelson, the GM Card Article, or the Lux in Flux Article suggest transferring any loyalty points between parties as contemplated by the Applicants' claim 30. The only motivation that can be found for the combination proffered by the Examiner is the Applicants' claims.

For at least the reasons presented above, the Applicants respectfully submit that the cited references, whether considered alone or in combination, fail to disclose or suggest the method of dependent claim 30, and that the four cited references are not properly combinable. Dependent claims 32-35 and 90 add further limitations that the Applicants also believe the cited references fail to disclose, at least in the context of a four-party transaction. Thus, the Applicants respectfully request that the Board reverse this rejection of dependent claims 30, 32-35, and 90 under § 103(a).

Rejection 6(c): § 103(a) - Feidelson in view of Shurling, and further in view of Wong

Claims 55-62 stand rejected under § 103(a) as being unpatentable over a combination of three references: Feidelson in view of Shurling as applied to claim 54 above, and further in view of Wong. See 4 May 2006 Office action, at p. 10, § 7, ¶ 1. The Applicants respectfully submit that, even assuming without admission that Feidelson is properly combinable with Shurling and Wong in a § 103(a) rejection (the impropriety of combining these references is discussed further below), this combination of references fails to disclose or suggest all of the limitations of the rejected claims. Thus, the Applicants respectfully traverse this rejection under § 103(a) for at least the following reasons.

Arguments

The discussion of Feidelson and Shurling presented above and throughout this brief is applicable to the discussion of this additional rejection under § 103(a) and is fully incorporated herein by reference. The Applicants make the following additional arguments concerning this § 103(a) rejection.

Claim 55 adds further limitations concerning the step of categorizing the accumulated loyalty points and displaying information about the accumulated loyalty points to the second-party users. As discussed further below, Wong, whether considered alone or in combination with the other cited references, fails to disclose or suggest this further aspect of the Applicants' claimed invention.

The Wong '933 patent discloses a method and apparatus for customer loyalty and marketing analysis. The Examiner cites Wong as disclosing the display of "information about the accumulated loyalty points to the user by categorizing the points with several status [sic] such as 'new', 'pending[]', 'earned', etc, and displaying the points for each status (see col. 5, lines 45-60)." 4 May 2006 Office action, p. 10, § 7, ¶ 2. The cited portion of Wong, however, fails to make the suggested disclosure. Rather, the cited portion of Wong discloses what comprises an "award transaction" and what occurs when an award transaction is submitted by a member. An award transaction includes information about its status, whether new, pending, fulfilled, or shipped. See, e.g., Wong '933 patent, col. 5, ll. 50-51.

As is stated in the Wong patent, when "the award transaction is submitted, it is retained in a pending request queue for a short period of time before completing its processing. This is to easily permit cancellation by the user." Wong '933 patent, col. 5, ll. 51-54. This discussion in Wong assumes that the member is entitled to seek an award, but has nothing to do with how loyalty points may be categorized prior to being used. The method and apparatus disclosed in Wong is primarily directed toward analyzing customer loyalty and marketing rather than a customer loyalty program per se. Rather, the method and system provide feedback about customers to proprietors so that they may enhance their marketing to their loyal customers. Wong '933 patent, col. 1, ll. 56-60. In one aspect of the method and apparatus disclosed in Wong, the system keeps track of customer frequency award points (how often the customer visits) in order to encourage customers to participate in the system. The Wong '933 patent includes only a cursory discussion of award points, fails to include any discussion of the use of such award points for repayment of any type of loan, and fails to include any discussion that would suggest its combination with Feidelson and/or Shurling.

The Applicants respectfully submit that claims 55-62 are allowable since each one adds further limitations that the Applicants believe the cited references also fail to disclose or suggest in the context of the claimed invention. For example, the cited references,

whether considered alone or in combination, fail to disclose or suggest the method of dependent claim 55, even assuming for sake of argument and without admission that the three cited references are properly combinable. Dependent claims 56-62 add further limitations that the Applicants also believe the cited references fail to disclose in the context of the claimed invention.

The Applicants respectfully request that the Board reverse this rejection of pending dependent claims 55-62 under § 103(a).

Rejection 6(g): § 103(a) - Feidelson in view of the GM Card Article and the Lux in Flux Article, and further in view of Wong

This rejection is similar to rejection 6(c), but here claims 55-62 stand rejected under § 103(a) as being unpatentable over a combination of four references: Feidelson in view of the GM Card Article and the Lux in Flux Article as applied to claim 54 above, and further in view of Wong. See 4 May 2006 Office action, at p. 18, § 11, ¶ 1. In other words, this rejection is the same as rejection 6(c) except the Examiner has swapped Shurling out for a combination of the GM Card Article and the Lux in Flux Article. The Applicants respectfully traverse this rejection under § 103(a) for at least the following reasons.

Arguments

The discussion of Feidelson, the GM Card Article, the Lux in Flux Article, and Wong presented above and throughout this response is applicable to the discussion of this additional rejection under § 103(a) and is fully incorporated by reference. The Applicants make the following additional arguments concerning this § 103(a) rejection.

Claim 55 adds further limitations concerning the step of displaying information about accumulated loyalty points to the second-party users. As discussed further above (see, e.g., pages 37-38), Wong, whether considered alone or in combination with the other cited references, fails to disclose or suggest this further aspect of the Applicants' claimed invention.

The Applicants respectfully submit that claims 55-62 are allowable since each one adds further limitations that the Applicants believe the cited references fail to disclose or suggest in the context of the claimed invention. For example, the cited references, whether considered alone or in combination, fail to disclose or suggest the method of dependent claim 55, even assuming for sake of argument and without admission that the four cited references are properly combinable. Dependent claims 56-62 add further limitations that

the Applicants also believe the cited references fail to disclose in the context of the claimed invention.

For at least the reasons provided above, the Applicants respectfully request that the Board reverse this rejection of pending dependent claims 55-62 under § 103(a).

Rejection 6(d): § 103(a) - Feidelson in view of Shurling, and further in view of Wong and Article 4/1993

Claims 63-70 and 91 stand rejected under § 103(a) as being unpatentable over Feidelson in view of Shurling and Wong as applied to claims 55-62 above, and further in view of Article 4/1993. Claim 64 is the only independent claim in this group of nine claims. The Applicants respectfully traverse this rejection since the cited references fail to disclose or render obvious the claimed invention for at least the reasons already provided above as well as the additional reasons provided below.

Arguments

The discussion of Feidelson, Shurling, Wong, and Article 4/1993 presented above and throughout this response is applicable to the discussion of this additional rejection under § 103(a) and is fully incorporated by reference. The Applicants make the following additional arguments concerning this § 103(a) rejection.

Claim 63 depends directly from independent claim 54 and adds to the claimed method the ability to transfer loyalty points.

In particular, the first recognized second-party user may selectively redeem accumulated loyalty points by transferring them to the second recognized second-party user. For at least the reasons discussed above in relation to the rejection of similar dependent claim 30 (see, e.g., pages 34-35), the cited references, whether considered alone or in combination, fail to disclose or suggest the method of claim 63; and the Examiner has failed to demonstrate any motivation to combine the references other than per the "map" provided by the Applicants' claims.

The Applicants make the following additional arguments concerning this § 103(a) rejection of independent claim 65 and its dependent claims 66-70. Independent claim 65 is another four-party transaction (see, e.g., the schematic representation on page 20 of this brief), which all of the claimed references fail to disclose for at least the reasons provided above. The Applicants respectfully submit that these five dependent claims, namely claims

66-70, are allowable since each one adds further limitations that the Applicants believe the cited references fail to disclose or suggest in the context of the claimed invention. In particular, as specifically discussed above, the cited references, whether considered alone or in combination, fail to disclose or suggest the limitations of the dependent claims, and the references are not properly combinable.

For at least the reasons provided above, the Applicants respectfully request that the Board reverse this rejection of pending claims 63-70 and 91 under § 103(a).

Rejection 6(h): § 103(a) - Feidelson in view of the GM Card Article and the Lux in Flux Article, and further in view of Wong and Article 4/1993

In the alternative, claims 63-70 and 91 stand rejected under § 103(a) as being unpatentable over a combination of five references: Feidelson in view of the GM Card Article, the Lux in Flux Article, and Wong as applied to claims 55-62 above, and further in view of Article 4/1993. 4 May 2006 Office action, at p. 19, § 12, ¶ 1. The Applicants respectfully disagree with this rejection of these claims since the cited references fail do disclose or render obvious the claimed invention for at least the reasons already provided above. The Applicants further respectfully submit that when it takes a combination of five references to try to find the elements of an applicant's claims in the prior art, that suggests the improper use of hindsight to come up with the Applicants' claimed invention using the claims as a template for selecting references.

Arguments

The Applicants respectfully traverse the rejection of these claims under § 103(a) since the cited references fail to disclose or render obvious the claimed invention for at least the reasons already provided above as well as the additional reasons provided below.

The discussion of Feidelson, the GM Card Article, the Lux in Flux Article, Wong, and Article 4/1993 presented above and throughout this response is applicable to the discussion of this additional rejection under § 103(a) and is fully incorporated by reference. Claim 63 adds to the claimed method the ability to transfer loyalty points. In particular, the first recognized second-party user may selectively redeem accumulated loyalty points by transferring them to the second recognized second-party user. For at least the reasons discussed above in relation to the rejection of similar dependent claim 30, the cited references, whether considered alone or in combination, fail to disclose or suggest the

method of claim 63; and the Examiner has failed to demonstrate any motivation to combine the references other than per the "map" provided by the Applicants' claims.

The Applicants make the following additional arguments concerning this § 103(a) rejection of independent claim 65 and its dependent claims 66-70. Independent claim 65 is another four-party transaction, which all of the cited references fail to disclose for at least the reasons provided above. The Applicants respectfully submit that dependent claims 66-70 are patentable as depending directly from allowable independent claim 65. The Applicants also respectfully submit that these five dependent claims are allowable since each one adds further limitations that the Applicants believe the cited references fail to disclose or suggest in the context of the claimed invention. In particular, as specifically discussed above, the cited references, whether considered alone or in combination, fail to disclose or suggest the limitations of the dependent claims, and the references are not properly combinable.

For at least the reasons provided above, the Applicants respectfully request that the Board reverse this rejection of pending claims 63-70 and 91 under § 103(a).

(8) Claims Appendix [37 CFR § 41.37(c)(1)(viii)]

A Claims Appendix appears below, after the signature page.

(9) Evidence Appendix [37 CFR § 41.37(c)(1)(ix)]

This appeal does not include any evidence or documents other than the brief itself and the claim appendix mentioned above in Section 8.

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(10) Related Proceedings Appendix [37 CFR § 41.37(c)(1)(x)]

No proceedings have been identified above pursuant to paragraph (c)(1)(ii) since there are no related appeals or interferences. Thus, there is no "Related Proceedings Appendix" comprising part of this appeal.

Respectfully submitted this 5th day of April 2007.

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Claims Appendix
[37 CFR § 41.37(c)(1)(viii)]

Claims 1-7 (cancelled)

8. (previously presented) A method of facilitating repayment of a loan obligation, said method comprising the steps of

(A) a first party establishing a site on a global computer network;

(B) recognizing at least certain second-party users of said site by requiring said certain second-party users to provide initial registration information to become recognized second-party users, and requiring a first one of said recognized second-party users to provide additional registration information;

(C) directing said recognized second-party users to predetermined third-party merchants;

(D) enabling accumulation of loyalty points by said recognized second-party users based upon purchases from said predetermined third-party merchants;

(E) monitoring said purchases by said recognized second-party users from said predetermined third-party merchants;

(F) tracking said accumulated loyalty points; and

(G) said first party permitting said first one of said recognized second-party users to selectively repay the loan obligation based upon discretionary redemption of said accumulated loyalty points.

9. (original) The method of claim 8, wherein said step (F) further comprises automatically tracking said accumulated loyalty points.

10. (original) The method of claim 8, wherein said step (B) further comprises storing said initial registration information in a participant table.

11. (original) The method of claim 8, wherein said initial registration information comprises

an email address;

a user name; and

a password.

12. (previously presented) The method of claim 8, wherein said step (C) further comprises presenting said recognized second-party users with a first selectable button to link said recognized second-party users to a virtual shopping mall and a second selectable button to link said recognized second-party users to a preferred third-party textbook merchant, wherein said step (E) further comprises monitoring said first one of said recognized second-party users for selection of one of said first and second selectable buttons, and wherein, following selection of one of said first and second selectable buttons, said step (E) further comprises requiring said first one of said recognized second-party users to log in.

13. (previously presented) The method of claim 12, wherein said step (E) further comprises

checking a login status of said first one of said recognized second-party users; and

presenting said first one of said recognized second-party users with a login screen if said checking step determines that said first one of said recognized second-party users is not logged in.

14. (previously presented) The method of claim 13, wherein said initial registration information comprises a user name and a password, and wherein said login screen requires said first one of said recognized second-party users to enter said user name and said password.

15. (previously presented) The method of claim 12, wherein said step (F) further comprises passing identifying information about said first one of said recognized second-party users to a selected third-party merchant selected by said first one of said recognized second-party users.

16. (previously presented) The method of claim 15, wherein said step (B) further comprises assigning a member ID to said first one of said recognized second-party users.

17. (previously presented) The method of claim 16, wherein said identifying information comprises said member ID, and wherein said step (E) further comprises passing said member ID to said selected third-party merchant.

18. (previously presented) The method of claim 17, wherein said step (F) further comprises said selected third-party merchant filling an order, creating a transaction record comprising information about said filled order, and posting said transaction record to an information retrieval system.

19. (previously presented) The method of claim 17, wherein said step (F) further comprises said selected third-party merchant filling an order, creating a transaction record comprising information about said filled order, and transmitting said transaction record to a fourth-party merchant broker.

20. (previously presented) The method of claim 19, wherein said fourth-party merchant broker posts said transaction record to an information retrieval system.

21. (previously presented) The method of claim 20, wherein said step (D) further comprises said fourth-party merchant broker assigning merchant identification numbers to said predetermined third-party merchants and prearranging a commission structure with said predetermined third-party merchants, whereby said purchases by said recognized second-party users from said predetermined third-party merchants produce an accumulation of loyalty points according to said prearranged commission structure, and wherein said transaction record includes raw sales and commission data.

22. (previously presented) The method of claim 18 or 20, wherein said step (D) further comprises prearranging a commission structure with said predetermined third-party merchants, whereby said purchases by said recognized second-party users from said predetermined third-party merchants produce an accumulation of loyalty points according to said prearranged commission structure, and further wherein said transaction record includes raw sales and commission data.

23. (previously presented) The method of claim 22, wherein said first party is a primary loan servicer, and wherein said step (F) further comprises said primary loan servicer

(i) requesting said transaction record;

(ii) receiving said transaction record; and

(iii) logging said transaction record in a purchase table.

24. (original) The method of claim 23, wherein said step (i) is performed manually, and wherein said step (ii) further comprises receiving said transaction records electronically on a weekly basis.

25. (previously presented) The method of claim 23, wherein said step (F) further comprises said primary loan servicer further processing said raw sales and commission data to determine a number of loyalty points accumulated by said first one of said recognized second-party users based upon said commission structure.

26. (previously presented) The method of claim 25, wherein, for each of said predetermined third-party merchants, said commission structure includes at least one product and a full commission for said at least one product, and wherein said number of loyalty points accumulated by said first one of said recognized second-party users for purchasing said at least one product equals no more than said full commission.

27. (previously presented) The method of claim 19, wherein said fourth-party merchant broker provides marketing resources and data about said predetermined third-party merchants.

28. (previously presented) The method of claim 27, wherein said first party is a primary loan servicer, and wherein said step (C) further comprises said primary loan servicer incorporating said marketing and resource data into said site for presentation to said recognized second-party users.

29. (canceled)

30. (previously presented) The method of claim 8, wherein said recognized second-party users further include a second one of said recognized second-party users, said method further comprising the step of said first party permitting said first one of said recognized second-party users to selectively transfer loyalty points to said second one of said recognized second-party users based upon discretionary redemption of said accumulated loyalty points.

31. (canceled)

32. (previously presented) The method of claim 30, wherein said additional registration information comprises

a name;

a social security number;

a birth date;

an address; and

a telephone number.

33. (previously presented) The method of claim 30, wherein said step (D) further comprises said first party prearranging a commission structure with said predetermined third-party merchants, whereby said purchases by said recognized second-party users from said predetermined third-party merchants produce an accumulation of loyalty points according to said prearranged commission structure.

34. (previously presented) The method of claim 30, wherein said step (D) further comprises enabling accumulation of loyalty points at a predetermined percentage of a purchase price, wherein said predetermined percentage varies by merchant based upon prearranged merchant agreements.

35. (original) The method of claim 34, wherein said predetermined percentage is no more than 5% of said purchase price.

36. (previously presented) The method of claim 8, wherein said step (C) further comprises presenting said recognized second-party users with a selectable button to link said recognized second-party users to a virtual shopping mall.

37. (previously presented) The method of claim 36, wherein said virtual shopping mall comprises a list of said predetermined third-party merchants.

38. (previously presented) The method of claim 8, wherein said step (C) further comprises presenting said recognized second-party users with a list of said predetermined third-party merchants.

39. (previously presented) The method of claim 37 or 38, wherein said list of said predetermined third-party merchants is presented alphabetically.

40. (previously presented) The method of claim 37 or 38, wherein said list of said predetermined third-party merchants is presented based upon a user-selectable category from a list of available categories.

41. (original) The method of claim 40, wherein said list of available categories is presented as a pop-up list of available categories.

42. (previously presented) The method of claim 37 or 38, wherein at least one of said predetermined third-party merchants has a merchant site on said global computer network, and wherein said step (C) further comprises framing screens from said merchant site of said at least one predetermined third-party merchant.

43. (previously presented) The method of claim 37 or 38, wherein at least one of said predetermined third-party merchants has a merchant site on said global computer network, and wherein said step (C) further comprises hyperlinking to said merchant site of said at least one of said predetermined third-party merchants.

44. (previously presented) The method of claim 8, wherein said step (C) further comprises directing said recognized second-party users to at least one predetermined third-party textbook merchant.

45. (previously presented) The method of claim 8, wherein said step (A) further comprises said first party establishing said site on said global computer network to include linkable references to a preferred third-party textbook merchant, and wherein said step (C) further comprises directing said recognized second-party users to said preferred third-party textbook merchant.

46. (previously presented) The method of claim 45, wherein said step (C) further comprises presenting said recognized second-party users with a user-selectable button to link said recognized second-party users to said preferred third-party textbook merchant.

47. (previously presented) A method of facilitating repayment of a loan obligation, said method comprising the steps of

(A) a first party establishing a site on a global computer network;

(B) recognizing at least certain second-party users of said site by requiring said certain second-party users to provide initial registration information, wherein said recognized second-party users include a first recognized second-party user and a second recognized second-party user;

(C) requiring said first recognized second-party user to provide additional registration information;

(D) directing said recognized second-party users to predetermined third-party merchants;

(E) enabling accumulation of loyalty points by said recognized second-party users based upon purchases from said predetermined third-party merchants;

(F) monitoring said purchases by said recognized second-party users from said predetermined third-party merchants;

(G) tracking said accumulated loyalty points; and

(H) said first party permitting selective application of said accumulated loyalty points to at least one loan of said first recognized second-party user.

48. (previously presented) The method of claim 47, wherein said first party is a primary loan servicer, and wherein said method further comprises the step of

(I) displaying to said first recognized second-party user loan information about at least one loan of said first recognized second-party user that is being serviced by the primary loan servicer.

49. (original) The method of claim 48, wherein said displayed loan information comprises

(i) loan type;

(ii) principal remaining;

(iii) payment amount; and

(iv) next payment due date.

50. (previously presented) The method of claim 48, wherein said step (H) further comprises

(i) displaying a selectable radio button adjacent to said displayed loan information about said at least one loan of said first recognized second-party user that is being serviced by the primary loan servicer;

(ii) displaying a numerical entry box in which said first recognized second-party user can type a number of accumulated loyalty points to be applied to a selected one of said at least one loan of said first recognized second-party user that is being serviced by the primary loan servicer; and

(iii) applying said typed number of accumulated loyalty points to said selected one of said at least one loan of said first recognized second-party user on an at least one-loyalty-point-for-one-dollar basis.

51. (previously presented) The method of claim 50, wherein said step (H) further comprises applying 120% of said typed number of accumulated loyalty points to said selected one of said at least one loan of said first recognized second-party user.

52. (previously presented) The method of claim 47, wherein said step (H) further comprises

(i) displaying a user-selectable list of secondary loan servicers from which said first recognized second-party user can select a desired secondary loan servicer, wherein said selected secondary loan servicer is different from said first party;

(ii) displaying a text entry box in which said first recognized second-party user can type a loan identifier of a selected loan being serviced by said selected secondary loan servicer;

(iii) displaying a numerical entry box in which said first recognized second-party user can type a number of accumulated loyalty points to be applied to said selected loan being serviced by said selected secondary loan servicer; and

(iv) said first party applying said typed number of accumulated loyalty points to said selected loan of said first recognized second-party user.

53. (previously presented) The method of claim 52, wherein said step (H) further comprises said first party transferring funds to said selected secondary loan servicer on an at least one-loyalty-point-for-one-dollar basis.

54. (previously presented) A method of facilitating repayment of a loan obligation, said method comprising the steps of

(A) a first party establishing a site on a global computer network;

(B) recognizing at least certain second-party users of said site by requiring said certain second-party users to provide initial registration information, wherein said recognized second-party users include a first recognized second-party user and a second recognized second-party user;

(C) requiring said first recognized second-party user to provide additional registration information;

(D) directing said recognized second-party users to third-party merchants;

(E) enabling accumulation of loyalty points by said recognized second-party users based upon purchases from said third-party merchants;

(F) monitoring said purchases by said recognized second-party users from said third-party merchants;

(G) tracking said accumulated loyalty points;

(H) displaying information about said accumulated loyalty points to said first recognized second-party user; and

(I) said first party permitting said first recognized second-party user to selectively redeem said accumulated loyalty points by applying said selectively redeemed loyalty points to an outstanding balance of a loan obligation of said first recognized second-party user, said first party thereby permitting repayment of said loan obligation using said redeemed loyalty points.

55. (original) The method of claim 54, wherein said step (H) further comprises categorizing a first number of said accumulated loyalty points with a first status of "pending," and categorizing a second number of said accumulated loyalty points with a second status of "earned," wherein said first number and said

second number together sum to a total number of said accumulated loyalty points; and

displaying said first number, said second number, and said total number of said accumulated loyalty points.

56. (original) The method of claim 55, wherein said categorizing step further comprises placing all newly accumulated loyalty points in said first status for a predetermined status waiting period and then changing said accumulated loyalty points to said second status after said status waiting period elapses.

57. (original) The method of claim 56, wherein said status waiting period is 30 days.

58. (original) The method of claim 55 or 56, wherein said displaying step further comprises graphically presenting said second number of said accumulated loyalty points using a meter graphic.

59. (previously presented) The method of claim 55, wherein said permitting step further comprises permitting said first recognized second-party user to selectively redeem only said accumulated loyalty points having said "earned" status in a redemption amount no greater than said second number of said accumulated loyalty points.

60. (previously presented) The method of claim 59, wherein said permitting step further comprises requiring that said first recognized second-party user selectively redeem at least a minimum number of said accumulated loyalty points.

61. (original) The method of claim 60, wherein said displaying step further comprises graphically presenting said second number of said accumulated loyalty points as a portion of said minimum number of said accumulated loyalty points.

62. (original) The method of claim 61, wherein said minimum number of loyalty points is twenty-five loyalty points.

63. (previously presented) The method of claim 54, wherein said permitting step further comprises permitting said first recognized second-party user to selectively redeem

said accumulated loyalty points by transferring said selectively redeemed loyalty points to said second recognized second-party user.

64. (previously presented) The method of claim 63, wherein said first recognized second-party user must apply at least a minimum number of said accumulated loyalty points, and may transfer any number of said accumulated loyalty points.

65. (previously presented) A method of facilitating repayment of a loan obligation, said method comprising the steps of

(A) a first party establishing a site on a global computer network;

(B) recognizing at least certain second-party users of said site by requiring said certain second-party users to provide initial registration information, wherein said recognized second-party users include a first recognized second-party user and a second recognized second-party user;

(C) requiring said first recognized second-party user to provide additional registration information;

(D) directing said recognized second-party users to predetermined third-party merchants;

(E) enabling accumulation of loyalty points by said recognized second-party users based upon purchases from said predetermined third-party merchants;

(F) monitoring said purchases by said recognized second-party users from said predetermined third-party merchants;

(G) tracking said accumulated loyalty points;

(H) categorizing a first number of said accumulated loyalty points of said first recognized second-party user with a first status of "pending," and categorizing a second number of said accumulated loyalty points of said first recognized second-party user with a second status of "earned";

(I) said first party permitting said first recognized second-party user to selectively redeem said accumulated loyalty points having said second status in a first redemption amount no greater than said second number of said accumulated loyalty points, wherein said first recognized second-party user selectively redeems said accumulated loyalty points in one of the following two ways:

(1) by authorizing said first party to apply said selectively redeemed loyalty points to an outstanding balance of a loan obligation of said first recognized second-party user to permit repayment of said loan obligation using said applied loyalty points; and

(2) by authorizing said first party to transfer said selectively redeemed loyalty points to said second recognized second-party user;

and

(J) displaying loyalty points information to said first recognized second-party user, wherein said displayed information includes said first number, said second number, and said first redemption amount.

66. (previously presented) The method of claim 65, wherein said step (J) further comprises displaying details concerning said accumulated loyalty points, wherein, for each purchase from one of said predetermined third-party merchants, said details include

(1) a merchant name;

(2) a transaction date;

(3) a purchase amount;

(4) a rate at which loyalty points were accumulated;

(5) a total number of loyalty points accumulated; and

(6) a status of said loyalty points accumulated.

67. (original) The method of claim 65, wherein said step (J) further comprises displaying said first redemption amount with a status of "applied."

68. (original) The method of claim 65, wherein said step (J) further comprises displaying said first redemption amount with a status of "transferred."

69. (previously presented) The method of claim 65, wherein said first recognized second-party user must apply at least a minimum number of said accumulated loyalty points, and may transfer any number of said accumulated loyalty points.

70. (previously presented) The method of claim 65, further comprising the steps of

(K) requiring said second recognized second-party user to provide additional registration information;

(L) categorizing a third number of said accumulated loyalty points of said second recognized second-party user with said second status of " earned";

(M) permitting said second recognized second-party user to selectively redeem said accumulated loyalty points having said second status in a second redemption amount no greater than said third number, wherein said second recognized second-party user selectively redeems said accumulated loyalty points by transferring said selectively redeemed loyalty points to said first recognized second-party user; and

wherein said step (J) further comprises displaying said second redemption amount with a status of "transfer."

71. (previously presented) A method of facilitating repayment of a loan obligation, said method comprising the steps of

(A) a first party establishing a site on a global computer network;

(B) recognizing at least certain second-party users of said site;

(C) directing said recognized second-party users to predetermined third-party merchants;

(D) enabling accumulation of loyalty points based upon purchases from said predetermined third-party merchants;

(E) monitoring said purchases by said recognized second-party users from said predetermined third-party merchants;

(F) tracking said accumulated loyalty points; and

(G) said first party permitting selective repayment of the loan obligation based upon discretionary redemption of said accumulated loyalty points.

72. (original) The method of claim 71, wherein said step (A) further comprises generating an opening screen that includes a plurality of user-selectable hyperlinks.

73. (original) The method of claim 71, wherein said step (A) further comprises generating an opening screen that includes a plurality of user-selectable icons and a corresponding plurality of user-selectable hyperlinks.

74. (original) The method of claim 72 or 73, wherein said opening screen further includes a plurality of user-selectable sub-hyperlinks, at least one sub-hyperlink for each hyperlink.

75. (original) The method of claim 71, wherein said step (A) further comprises generating an opening screen that includes a first plurality of user-selectable icons.

76. (original) The method of claim 75, wherein said opening screen further includes a second plurality of user-selectable hyperlinks and a third plurality of user-selectable sub-hyperlinks, wherein said third plurality includes at least one sub-hyperlink for each hyperlink, and wherein said second plurality of hyperlinks and said third plurality of sub-hyperlinks together create a user-selectable outline of said site.

77. (original) The method of claim 75, wherein said opening screen further includes a user-selectable menu of site content.

78. (original) The method of claim 75, wherein said step (A) further comprises generating a site navigation system.

79. (original) The method of claim 78, wherein said site navigation system comprises a first plurality of user-selectable icons representing site content.

80. (original) The method of claim 78, wherein said site navigation system comprises a first plurality of user-selectable tabs representing site content.

81. (original) The method of claim 80, wherein said site navigation system further comprises a second plurality of user-selectable sub-tabs representing site content.

82. (original) The method of claim 78, wherein said site navigation system comprises a first plurality of user-selectable hyperlinks representing site content.

83. (original) The method of claim 82, wherein said site navigation system further comprises a second plurality of user-selectable sub-hyperlinks representing site content.

84. (previously presented) The method of claim 71, wherein said step (A) further comprises establishing said site with an e-commerce component that permits purchasing from said predetermined third-party merchants via online shopping.

85. (previously presented) The method of claim 84, wherein step (B) further comprises requiring said certain second-party users to register by providing registration information.

86. (original) The method of claim 85, wherein step (B) further comprises storing said registration information in a participant table.

87. (original) The method of claim 85, wherein said registration information comprises

an email address;

a user name; and

a password.

88. (previously presented) The method of claim 87, wherein said step (B) further comprises sending a confirmatory email to said email address of said newly-registered second-party users.

89. (previously presented) The method of claim 87, wherein said step (B) further comprises storing said registration information in a participant table, and enabling recognition of a returning recognized second-party user by said stored user name and said password.

90. (previously presented) The method of claim 30, wherein said method further comprises said first party permitting said second one of said recognized second-party users to selectively repay the loan obligation based upon discretionary redemption of said transferred loyalty points.

91. (previously presented) The method of claim 63, wherein said permitting step further comprises said first party permitting said second recognized second-party user to apply said transferred loyalty points to an outstanding balance of a loan obligation of said second recognized second-party user.

Claim Rejection Chart

(§ 103(a) Rejections)

CL #	6(a) 1+2	6(b) 1+2+3	6(c) 1+2+4	6(d) 1+2+4+3	6(e) 1+5+6	6(f) 1+5+6+3	6(g) 1+5+6+4	6(h) 1+5+6+4+3
8	X[1]				X[1]			
9	X				X			
10	X[2]				X[2]			
11	X[2]				X[2]			
12	X[3]				X[3]			
13	X[3]				X[3]			
14	X[3]				X[3]			
15	X[4]				X[4]			
16	X[4]				X[4]			
17	X[4]				X[4]			
18	X[4]				X[4]			
19	X[5]				X[5]			
20	X[5]				X[5]			
21	X[5]				X[5]			
22	X[6]				X[6]			
23	X[6]				X[6]			
24	X[6]				X[6]			
25	X[6]				X[6]			
26	X[6]				X[6]			
27	X[6]				X[6]			
28	X[5]				X[5]			
30*	X[1]	X[1]			X[1]	X[1]		
32*	X[1]	X			X[1]	X		
33	X[1]	X[2]			X[1]	X[2]		
34	X[1]	X[2]			X[1]	X[2]		
35	X[1]	X[2]			X[1]	X[2]		
90*		X[1]				X[1]		
36	X[7]				X[7]			
37	X[7]				X[7]			
38	X[8]				X[8]			
39	X[8]				X[8]			
40	X[8]				X[8]			
41	X[8]				X[8]			
42	X[8]				X[8]			
43	X[8]				X[8]			
44	X[9]				X[9]			
45	X[9]				X[9]			
46	X[9]				X[9]			

CL #	6(a) 1+2	6(b) 1+2+3	6(c) 1+2+4	6(d) 1+2+4+3	6(e) 1+5+6	6(f) 1+5+6+3	6(g) 1+5+6+4	6(h) 1+5+6+4+3
47	X				X			
48	X				X			
49	X				X[10]			
50	X				X[10]			
51	X[10]				X[11]			
52	X				X			
53	X[10]				X[11]			
54	X[1]				X			
55			X				X	
56			X[1]				X[1]	
57			X[1]				X[1]	
58			X[1]				X[1]	
59			X[1]				X[1]	
60			X[1]				X[1]	
61			X[1]				X[1]	
62			X[1]				X[1]	
63				X[1]				X[1]
64				X				X
91*				X[1]				X[1]
65				X				X
66				X				X
67				X[2]				X[2]
68				X[2]				X[2]
69				X[2]				X[2]
70				X[2]				X[2]
71	X[1]				X[1]			
72	X[11]				X[12]			
73	X[11]				X[12]			
74	X[11]				X[12]			
75	X[11]				X[12]			
76	X[11]				X[12]			
77	X[11]				X[12]			
78	X[11]				X[12]			
79	X[11]				X[12]			
80	X[11]				X[12]			
81	X[11]				X[12]			
82	X[11]				X[12]			
83	X[11]				X[12]			
84	X				X			
85	X[12]				X[13]			
86	X[12]				X[13]			
87	X[12]				X[13]			
88	X				X			
89	X[12]				X[13]			

REF1 Feidelson **REF3** Article 4/1993 **REF5** GM Card Article

REF2 Shurling **REF4** Wong **REF6** Lux in Flux Article

† Claims thought to have been erroneously included in a rejection.

1-13 Superscripted numbers 1 through 13 within a column are the Examiner's claim subgroups

* Indicates a claim listed out of numberical order, together with similarly rejected claims